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ABSTRACT

Charter schools are public schools that are established through state law and are often released from traditional regulations that apply to public schools in return for an accountability system that emphasizes student outcomes. This hearing focused on how Federal education funds are distributed to charter schools; the academic and administrative operations of charter schools; the impact of a charter-school environment on special-needs students; and the impact of charter schools on the public school system. The hearing includes the statements of Representative Tim Roemer; Senator Joseph Lieberman; Cornelia Blanchette, associate director of education and employment issues, Health, Education, and Human Services Division of the General Accounting Office; Lisa Keegan, state superintendent of Pubic Instruction, Arizona; Senator Christopher Dodd; Joan Heffernan, director of the Integrated Day Charter School; Raymond Jackson, president and chief executive officer of ATOP Academy; Tim Sindelar, an attorney for the Disability Law Center; and Eric Rofes, who produced a report on how school districts respond to charter laws and charter schools. Some of the issues covered include how some charter schools improve graduation rates and how some of these schools underserve the special-education population. (RJM)

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OVERVIEW OF CHARTER SCHOOLS

ED 424 683

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HEARING

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

ON

EXAMINING THE ROLE OF CHARTER SCHOOLS IN EDUCATIONAL REFORM, STATE AND FEDERAL FUNDS, AND S. 1380 AND H.R. 2616, BILLS TO EXTEND THE AUTHORIZATION OF FUNDS THROUGH FISCAL YEAR 2002 FOR TITLES VI AND X OF THE ELEMENTARY AND SECONDARY EDUCATION ACT TO EXPAND THE IMPLEMENTATION OF PUBLIC CHARTER SCHOOLS

MARCH 31, 1998

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OVERVIEW OF CHARTER SCHOOLS

TUESDAY, MARCH 31, 1998

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m., in room SD–430, Dirksen Senate Office Building, Senator Jeffords (chairman of the committee) presiding.

Present: Senators Jeffords, Coats, Dodd, and Wellstone.

OPENING STATEMENT OF SENATOR JEFFORDS

The CHAIRMAN. Good morning. The Committee on Labor and Human Resources will come to order.

This morning, this committee will examine charter schools. Today's hearing will focus on several aspects pertaining to charter schools: first, how Federal education funds are distributed to charter schools; second, the academic and administrative operations of charter schools; third, the impact of a charter school environment on special needs students; and fourth, the impact of charter schools on the public school system.

A charter school is a new type of public school that is established through State law and is often released from so-called traditional regulations that usually apply to public schools in return for an accountability system that emphasizes student outcomes. Twenty-nine States, the District of Columbia and Puerto Rico have charter school laws. It is interesting to note that over 60 percent of all current charter schools are in just three States—Arizona, California and Michigan.

In 1994, under the Improving America's Schools Act, the reauthorization of the Elementary and Secondary Education Act, the Congress established the Public Charter Schools program. The purpose of this initiative is to support the design, initial implementation and evaluation of charter schools during their early years. Late last year, the House of Representative passed legislation which would revise the 1994 Public Charter Schools program.

Similar legislation has been introduced by Senator Dan Coats, a member of this committee, and Senator Joe Lieberman, who will be our first witness. We are fortunate to have a number of witnesses with different perspectives on charter schools appearing before this committee today, and I look forward to this hearing.

The CHAIRMAN. Senator Lieberman, it is a pleasure to have you with us, as well as Representative Roemer. I look forward as always to listening to your testimony. You are certainly an acknowledged leader in this area.

Please proceed.

STATEMENTS OF HON. TIM ROEMER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA, AND HON JOSEPH I. LIEBERMAN, A U.S. SENATOR FROM THE STATE OF CONNECTICUT

Senator LIEBERMAN. Thanks, Mr. Chairman.

In a show of comity among the branches of the Congress, and in deference to the fact that Congressman Roemer, although it may be hard to believe seeing him here, is actually right now co-chairing a hearing, or supposed to be co-chairing a hearing in the House, and based on his promise—and his word is always good to me—that he will not testify at length, I yield to my friend and colleague and partner in this effort.

The CHAIRMAN. Certainly. We welcome you, Congressman Roemer, and we appreciate your leadership in this very important area also.

Please proceed.

Mr. ROEMER. Thank you, Mr. Chairman.

I am delighted to be here before your committee, and I want to especially thank my good friend from the State of Connecticut for yielding to me. I will try to be brief, and I am sure he will cut me off after about 4 or 5 minutes if I go on too long, anyway. It is nice to see Senator Coats here as well.

I would ask unanimous consent that my entire statement be entered into the record, Mr. Chairman.

The CHAIRMAN. Certainly; without objection.

Mr. ROEMER. Mr. Chairman, I will be brief, and I want to talk for just a few minutes about why I am so involved in and supportive of the charter schools.

First of all, we have many problems in American schools today. We have had the shootings most recently in Jonesboro, but also in Kentucky and Mississippi. Three or 4 weeks ago, we had the test scores come back to us on the TIMS test, where many of our most gifted and talented students taking tests in advanced physics and mathematics scored lower than those students in other international countries, in Latvia, in Cyprus and in Greece. We have problems getting equal access in our inner-city schools for students to get a good education. We now find with the TIMS test that even our most gifted and talented have problems.

I believe that the Congress can work in partnership, not taking over the schools. That belongs to our local school districts and our parents and teachers. But I think that Congress can work in partnership with our States and our local communities on bold new initiatives and creative ideas such as charter schools.

The charter school bill that Mr. Rigs and I worked on on the House side and wrote and worked through the subcommittee and the full committee initially had a great number of misunderstandings and myths. Eventually, it passed the House 367 to 57, with wide bipartisan support, and there were some reluctant Democratic concerns about the bill initially, and almost all of those were addressed through the legislative process and through learning more about what public charter schools actually are.

There are a number of myths and misunderstandings, Mr. Chairman, that you probably know. Some people assume that charter schools are private schools. Some people assume that charter schools "cream" the students and try to get only the best students. Some people even think that charter schools are not serving minority or special needs populations.

Let me try to briefly address some of these concerns and then conclude. I have visited a charter school right here in Washington, DC., where we do have some problems in our public education system. The Options Charter School here in Washington, DC. serves about 100 students. Almost every, single one of those students is a minority student. Almost every, single one of those students is eligible for the free and reduced lunch. Almost ever, single one of those students is 2 to 3 or 4 years behind their peer level, their grade level, and have been kicked out of public school or gone into some alternative school option even before the charter school.

So this Options Charter School is taking on some of the most difficult students in the DC. public school system. They have been open since 1991. They have tracked some of their students going through the program to see what the success has been, and about 75 percent of these students have graduated from the Options Charter School. That is about 20 percent higher than the regular graduation rate in the DC. public school system.

So they are not "creaming"; it is not a private school system, and it is very inclusive, taking on some of the toughest cases in the public school system in Washington, DC. This Options Charter School has been so successful here in Washington, DC., myself and Senator Lieberman and others have worked on trying to expand the charter school option here in DC., and there is a new program that is going to start right next door to the Options Charter School called the Seed Foundation. This is a wonderful story, and I would ask unanimous consent to have about 5 pages submitted for the record about the story here. It is about two people who are founding the Seed Options School. Neither one will be paid. Both have made some money in the private sector doing different things, and they are coming back to form a school that will take care of some of the same kinds of students that the Options Charter School is taking care of—students who are falling through the cracks, dropping out of school, not getting the care at home for various reasons and then getting it through the public charter school system.

The Seed Foundation story is a marvelous story about two men committed to public education in this country, not taking pay, giving back to the community, and formulating a school that will address many of the needs in this neighborhood.

I am very excited about our bipartisan support on the House side with the overwhelming support that we garnered on the floor. I am optimistic that the charter school movement, which is in about 30 States, with about 800 charter schools, is an idea whose time has come. And while it is not a panacea, it is not a silver bullet to solve all of our education problems in this country, it can help us solve some of the problems in an inclusive way, supporting public education and supporting it with new, bold, creative ideas.

I am very excited about this, and I look forward to working with you and Senator Coats, Senator Kennedy, Senator Dodd and others on this program, and once again, I want to applaud Senator Lieberman for his very, very bold leadership in this area. His bill is a bill that we looked at very carefully and plagiarized and stole ideas from at will to gain Democratic support on the House side, and it is an honor to sit here with Joe Lieberman, who has been a leader in this area and other education initiatives as well.

So I thank you for listening to our experience on the House side, and we look forward to working with you in the future on this and other education areas.

The **CHAIRMAN**. Thank you very much for that excellent statement. I would just remind all of us that we are the State as far as the District of Columbia and education responsibilities are concerned, and I am following the charters here with hope. I would point out that the overall rate of dropouts is about 40 percent, and the national goal is 10 percent, so we have a way to go.

Thank you very much.

Mr. **ROEMER**. And I again apologize, Mr. Chairman. I have to co-chair a hearing on the House side and will have to leave shortly, but I appreciate you squeezing me in.

The **CHAIRMAN**. Thank you.

[The prepared statement of Mr. Roemer follows:]

PREPARED STATEMENT OF REPRESENTATIVE TIM ROEMER

Thank you Mr. Chairman, Senator Kennedy, Senator Coats, and Senator Dodd, for inviting me here today to testify in support of one of my educational priorities: charter schools. I am honored to be here with Senator Lieberman, who has been a real leader within the Democratic party on this issue, and Congressman Riggs from California, who I worked with to pass this legislation in the House last fall.

I am here today to support S. 1380, the charter school legislation that Senators Coats and Lieberman have introduced with the bipartisan support of Senators Landrieu, D'Amato, and Bob Kerrey. A similar bill, H.R. 2616, passed the House of Representatives in November by a vote of 367–57. President Clinton also supports the legislation.

Public charter schools are a bold and innovative public school choice model. They provide an alternative to the traditional public school system, strengthen accountability for academic achievement, and inject innovation and reform into the public school system. In short, public charter schools expand choice for parents and students, and demand accountability for student achievement.

Thirty states, along with Puerto Rico and the District of Columbia have charter schools. In this academic year, there are 850 charter schools in operation, and advocates expect close to 1,000 to be open in the next academic year. The President has challenged us to open at least 3,000 charter schools in the coming years. Clearly, this is a movement that has inspired educators, parents and students.

One of the strengths of the charter school movement is that it is an instrument of state-based education reform. Our federal role is to provide support for these schools, while at the same time ensure that they operate within federal and state laws regarding access and accountability. This charter school legislation was developed based on many hearings that we held in the House of Representatives, as well as dozens of conversations with those who are concerned about charter schools. While there are some differences between the House and Senate bills, I would like to highlight the shared features of this charter school legislation.

This legislation:

- increases the authorization for the charter school program to $ 100 million;
- gives priority funding to states that show progress in increasing the number of charter schools from year to year;
- gives priority funding to states that provide for review and evaluation to determine whether the charter school is meeting or exceeding its academic performance requirements;
- restricts the amount of funding that the Secretary of Education can retain at the federal level so that more funding will go directly to charter schools; and,

- requires the Secretary to direct the State educational agencies to provide categorical grant funding (Title I and IDEA) to newly operating charter schools no later than five months after opening.

There have been many concerns that charter schools are an attempt to "privatize" the public school system—that charter schools are one step closer to vouchers for the public school system. This has not happened, and I would argue the opposite—that charter schools will preserve and strengthen the public school system. James N. Goenner, senior associate director of the Charter Schools Office at Central Michigan University, noted that "the most significant effects so far—and what many consider the movement's real purposes—are the so-called secondary ripple effects"-that traditional schools are working harder to please local families so that they won't leave for charter schools. Another expert, Eric Premack, notes that school board members and central office administrators are finding that charter schools can be used to develop programs that would be difficult to start in the regular system.

There are also concerns that charter schools "cream" the best students, and only cater to the affluent. The U.S. Department of Education, however, did not find this to be the case. In the first part of a four year study, the Department found that about 1/3 of charter school students are eligible for free and reduced price lunch; have a racial composition similar to statewide averages; and serve roughly the same number of low-income students as other public schools.

I think charter schools can play an important role in serving at-risk children. I recently visited the Options Charter School, which is just around the corner from us at the Capital Children's Museum. The Options Charter School has 100 students in the 5th, 6th, and 7th grades who have been identified as "highly at-risk" for dropping out of school. When I visited the school, all of the students were a minimum of two grade levels behind in math and reading; and most had a history of violent behavior, severe emotional disorders, drug use, or truancy. Options Charter School is an example of the kind of innovations that are needed in our public school system, and I encourage each of you to visit this school.

Mr. Chairman and other members of the committee, I do not offer up charter schools as a silver bullet solution to the problems in our public school system. But I do believe they offer our parents and children choice within the public school system, and can provide the necessary competition to preserve and strengthen public education. I also believe that all public schools, including charter schools, must be held accountable for results, including student achievement and access. I encourage you to support passage of S. 1380.

Thank you for the opportunity to testify here today, and I look forward to answering any of your questions.

Senator COATS. Mr. Chairman, I wonder if I could just jump in here to thank my colleague from Indiana. One of my most embarrassing political moments—and I have had several—was last week, when he helped us co-chair a hearing here in this room, and in recognizing him at that time, I drew an absolute blank.

So, Representative Smith, I want to thank you. [Laughter.]

Mr. ROEMER. That is why I call you "Mr. Chairman," so I do not forget any names. The more people you call "chairman," the better of you are.

Senator COATS. We are moving forward on studies of loss of memory and inability to recall, particularly as it affects Senators. [Laughter.]

Mr. Chairman, I want to thank Tim Roemer for coming over this morning to once again demonstrate that this is not a partisan effort, this is a bipartisan effort. We have two Democrats, two Republicans, trying to reach out, dispel the myths and improve education in this country. We are wiling to get outside the circumscribed box of education that is well-motivated, well-intended, but to look at new options, to look at ways of stimulating competition, and most importantly to look at ways of providing education and a vision for education for children, minorities, low-income students and others that have not been available in the past.

We are not trying to undo public education, we are trying to strengthen public education, and we are trying to do so in a way, as Representative Roemer said, that is a partnership. I thank him for his testimony and look forward to the testimony of my colleague and partner in crime in this effort, Senator Lieberman.

Thanks, Mr. Chairman.

The **CHAIRMAN**. Thank you for your help in this area in particular.

Senator Lieberman.

Senator **LIEBERMAN**. Thanks, Mr. Chairman, and thanks to Governor Roy Roemer for that outstanding statement—thanks to Tim, just continuing the joke for probably too long. [Laughter.] Thanks to Tim for that superb statement and for his leadership in the House. I appreciate very much his coming over today.

Mr. Chairman, I have a statement which is of some length that I would like to enter into the record and just speak for a few moments and answer any questions that you might have.

The **CHAIRMAN**. That is fine. Go ahead.

Senator **LIEBERMAN**. I appreciate very much your leadership here, Mr. Chairman, and focus on charter schools, and I want to pick up at the beginning from what Senator Coats said.

I do not think there is anybody in Congress, and perhaps nobody in the United States, who thinks that our American education system is delivering all it should for our children. There are many indicators of that—the TIMS study, the math and science study that Congressman Roemer pointed to that show our kids so far behind the kids in other countries; the anecdotal evidence that we get from employers who find the graduates of our education system unable to do the kind of work that is necessary to make it in the workplace; the stories that we see every day in the States that we represent of children being pushed ahead when they are not really meeting the grade standards of being in some sense pushed out of school to face frustrated lives, sadly, often wasted lives.

So we have a problem here, as good as things are in this country, and the question is how are we going to deal with it, and there are a lot of answers and a lot of suggestions being offered publicly and in Congress even in this session about how to do it. Some are for the education IRAs, which are on the floor right now. Others are for school construction grants, programs to reduce class size. Senator Coats and I have been involved in some legislation to provide demonstration projects for school choice or school voucher programs.

Unfortunately, there is substantial controversy around most of these suggestions. Hopefully, some of them may in one form or another make it through Congress this year. But this brings me to charter schools because I think that while all this controversy is going on, what might be called a quiet revolution is occurring in the creation of these charter schools, now approaching 1,000 around the country, which are a genuine grassroots movement and which are not only working within the public school context to create innovation and models of innovation and better education for our kids, but they have provided and created political common ground. As Senator Coats indicated, there is bipartisan support for these.

I started out about 4 years ago joining our former colleague Dave Durenberger in sponsoring what I believe was the first charter school authorization program to create this Federal charter school grant program. The original program began in Minnesota. Dave Durenberger was interested in it. It happens to have been started by a Democratic State Representative who was a member of the Democratic Leadership Council which I am privileged to be chair of, and from that kind of common ground, we built this grand program, and it is growing brilliantly and effectively.

My own State of Connecticut just began charter schools last fall. I have visited several of them in the last several months, and I have been very impressed with what I have seen. One of the schools I visited was the Integrated Day Charter School in Norwich, CT, and I am very pleased and grateful, Mr. Chairman, that you will hear shortly from that school's director, Joan Heffernan. I came away from my visit to her school extremely impressed with the vitality of her students, of her classrooms, and the tremendous sense of community that Integrated Day School had fostered in such a brief time, qualities that I have seen common among charters whether they are in central cities or more suburban areas or smaller cities.

I think it is also very important to note that Joan Heffernan and the other individuals who banded together to build their school from the ground up were teachers who had grown frustrated with some of the constraints of the public schools in which they had been teaching and saw the charter school option as an opportunity to make the most of their skills. There are so many innovations that we discuss here in Congress about education, and even the charter schools occasionally are described as anti-public school or anti-teacher. In fact, there are hundreds of thousands of public school teachers who are genuine heroes in our country today, but there are many others, unfortunately, who are stifled within a top-down bureaucratic public education system.

One of the great results of the charter schools is that they have liberated some of these teachers to go out and put their ideas to work in the charter school context as a way to better realize the values, the motivations, that drew them to teaching in the first place and in the process, incidentally, to better realize the traditional goals of America's public schools. These teachers are part of a growing grassroots revolution that is seeking to reinvent the public school and, if I may, to take it back to the future, reconnecting public education to some of our oldest and most basic values—hard work, the development of basic skills and yet in a context of ingenuity, responsibility and accountability—and, bottom line, refocusing the mission of the schools on doing what is best for the child, not on what is best for the system or protecting the status quo.

It is early, but the results so far have been very heartening. Over the past 3 years, the number of public charter schools has more than tripled; parents and educators in turn have given these programs very high marks. There are some broad-based studies that have been done by The Hudson Institute and the Department of Education which show that charters are effectively serving, as Congressman Roemer said, diverse populations, particularly many of the disadvantaged and at-risk children that traditional public schools have struggled to educate.

And while it is too soon to determine what impact charter schools are having on overall academic performance, the early returns suggest that charters are succeeding where it matters most, which is in the classrooms.

A very interesting survey was done last fall by the National School Boards Association and found significantly that the charter movement is having a positive ripple effect on the other public schools within the districts where charters are created. The NSBA report cites evidence that some of the other public schools are working harder to please the families, the parents, so they will not abandon them or leave them to the competing charter schools, and that central public school administrators often see charters as a powerful tool to help them build a case to develop new ideas and programs without fearing regulatory roadblocks.

But I go back to a more systemic comment, that maybe in the end, the most hopeful part of these schools is what they have done to create common ground for building a consensus, for renewing the mission and the results of our system of public education in this country.

That is why Senator Coats and I, along with our colleagues in the House, Congressmen Roemer and Riggs, have introduced the Charter School Expansion Act, CSEA. Specifically, Senate bill 1380 would revamp the Federal charter school grant program to make it more focused on helping States and local groups create new schools and to meet the goal that President Clinton has stated of having 3,000 charter schools in America by the year 2000.

We are proposing to increase funding for start-up grants to new schools to $100 million for the coming fiscal year—that is a relatively small amount, considering all that we spend on education every year from the Federal Government—and to gradually raise the authorization level as the number of new schools grows.

The CSEA would then better target those additional funds to the States that are serious about expanding their charter programs, creating carrots to further innovation and further development of charter schools at the local level.

The House has already made good on the promise of the bill, with the overwhelming vote that Congressman Roemer referred to. Here in the Senate, we are building a broad bipartisan group of cosponsors. Senator Landrieu, Bob Kerrey of Nebraska and Senator D'Amato have joined Senator Coats and me in cosponsoring the bill, and I am confident that many others are going to sign on as this bill moves through the process with your leadership, Mr. Chairman.

Finally, I would say that as you listen to Joan Heffernan and Ray Jackson and the superb group of witnesses that you have her today, I think you are going to find that charter schools represent our highest commonly-held ideals and aspirations for public education. These public educators are not a threat; they are, if you will, a treat to be around. And I urge you to support the Charter School Expansion Act to make sure that others have the opportunity to benefit from the trails that these pioneering educators have blazed.

Thank you very much, Mr. Chairman and Senator Coats. I would be happy to answer any questions that you might have.

[The prepared statement of Senator Lieberman follows:]

PREPARED STATEMENT OF SENATOR JOE LIEBERMAN

Mr. Chairman, I want to thank you for holding this hearing and for providing me with the opportunity to testify about what I believe is the most promising engine of education reform in the country today, the charter school movement, as well as the bipartisan legislation that Senator Coats and I have introduced to help make these innovative, independent programs the norm rather than a novelty in this country. I am pleased to be joined by my friend and charter comrade-in-arms, Congressman Tim Roemer of Indiana, who along with Frank Riggs of California succeeded in passing a companion version of our bill in the House by an overwhelming margin last fall.

As you know, charter schools grant educators freedom from top-heavy bureaucracies and their red tape in exchange for a commitment to meet high academic standards. Four years ago, I was proud to join my colleague Dave Durenberger of Minnesota as sponsor of the bill authorizing the Federal Charter School Grant Program, which Congress passed with strong bipartisan majorities and which has provided more than $60 million since then to help new charters to defray the burdensome cost of starting a school from scratch.

After visiting several charter schools to see them up close, I am all the more convinced that charter schools realize a hopeful vision of the future of public education. One of the schools I visited was the Integrated Day Charter School in Norwich, Connecticut, and I am pleased that you will hear shortly from that school's director, Joan Heffernan. I don't want to steal Joan's thunder, but I do want to say briefly that I came away from my visit to her school extremely impressed with the vitality of her classrooms and the sense of community the Integrated Day School had fostered in a such a brief time, qualities that I have found common among charters.

I also think it's important to note that Joan and the other individuals who banded together to build this school from the ground up were actually teachers who had grown frustrated with the constraints of the traditional public school bureaucracy and who saw in the charter approach the opportunity to make the most of their skills. I have been struck by the number of similar stories I have heard from other former public school teachers who have opted to found or work at charter schools as a better way to realize their personal goals as teachers and the historic goals of America's public schools.

These teachers are part of a growing grass-roots revolution that is seeking to reinvent the public school and take it back to the future, reconnecting public education to some of our oldest, most basic values—ingenuity, responsibility, accountability—and refocusing its mission on doing what's best for the child instead of what's best for the system.

The results speak for themselves. Over the past three years, the number of public charter schools have more than tripled, with more than 800 of them now operating in 23 different states and the District of Columbia, and parents and educators in turn have given these programs overwhelmingly very high marks. Broad-based studies done by the Hudson Institute and the Education Department show that charters are effectively serving diverse populations, particularly many of the disadvantaged and at-risk children that traditional public schools have struggled to educate.

And while it's too soon to determine what impact charter schools are having on overall academic performance, the early returns suggest that charters are succeeding where it matters most, in the classroom. Earlier this month, in fact, The New York Times reported on a study showing that most of the top charter schools are not only meeting the high standards they have set for themselves but surpassing them. The Center for School Change at the University of Minnesota examined 31 highly-regarded charters from around the country, and found that all 21 of the schools that could report complete data had achieved significant gains on various standardized tests. This was by no means a definitive piece of research, but it does give us a hint of the enormous potential that the charter model offers.

A survey done last fall by the National School Boards Association found that the charter movement is already having a positive ripple effect that is being felt in many local public school districts. The NSBA report cites evidence that traditional public schools are working harder to please local families so they won't abandon them to competing charter schools, and that central administrators often see charters as "a powerful tool" to develop new ideas and programs without fearing regulatory roadblocks. One of the witnesses you will hear from today, Mr. Rofes, has done some noteworthy research on the potential for this kind of charter school ripple effect, and I look forward to his testimony.

The most remarkable aspect of the charter movement may be that it has managed to bring together educators, parents, community activists, business leaders and politicians from across the political spectrum in support of a common goal to better educate our children through more choice, more flexibility and more accountability in our public schools. In these grass-roots may lie the roots of a consensus for renewing the promise of public education, which is something Congress has been struggling mightily to achieve, as was evident again last week from the debate over the education savings account bill that was on the floor.

We want to build on that broad agreement at the local and state level and do what we can at the Federal level to support and encourage the growth of this movement. That is why Senator Coats and I, along with Congressmen Roemer and Riggs, have introduced the Charter School Expansion Act (CSEA), which aims to bolster the Federal investment in charters and help remove some of the hurdles preventing them from flourishing in every state.

Specifically, our bill, S. 1380, would revamp the Federal Charter School Grant Program to make it more focused on helping states and local groups create new schools and meet the President's goal of creating 3,000 charters by the year 2000. We are proposing to increase funding for start-up grants to new schools to $ I 00 million for the coming fiscal year and gradually raise the authorization level as the number of new schools grows. The CSEA would then better target those additional funds to the states that are serious about expanding their charter program. It would do so by establishing several "priority" criteria that would give preference in awarding start-up grants to those states that show real progress in creating high-quality, high-flexibility, and high-accountability charters.

Our hope is that these changes will give states that have been slow to embrace the charter movement an incentive to get on board. Our intent is not to punish those states that are moving cautiously, but instead to reward the ones that are prepared to harness this progressive force for change and encourage others to do the same.

The CSEA would also tighten some unintended loopholes in the original statute that have hampered the effectiveness of the program, ensure that charter schools receive their fair share of funding from the major Federal categorical grant programs, and take some initial steps to widen the pool of funding sources for those charters that are struggling to stay alive. And to enhance the potential for all children to benefit from charter successes, our bill directs the Secretary of Education to work with the states to in effect establish an "innovation pipeline" that would share information about what is working in charter schools to public school districts around the country.

More broadly speaking, we hope this bill can be a starting point for overcoming our partisan and ideological differences here in Congress and reaching some common ground on how to improve our schools and safeguard the hopes of our children. The House has already made good on this possibility by broadly supporting the Charter School Expansion Act. Here in the Senate, Senators Landrieu, Kerrey of Nebraska, and D'Amato have joined Senator Coats and I in cosponsoring the bill, and we are confident that many others will sign on as we proceed to the floor. And the Committee should know that the President, who has been a strong proponent of charter schools throughout his Administration, voiced his support for this legislation in his weekly radio address last fall.

The truth is, Mr. Chairman, that the current political stalemate we find ourselves trapped in is hurting our children and our country. The American people are desperate for us stop slinging accusations and start proffering some answers to the serious questions they are raising about the state of education in America today. All of us are well aware of the growing concerns of parents about the quality of the schools their children are attending. But we also must recognize that these concerns transcend individual families and affect the future of the nation, something that was made very clear by a recent Public Agenda survey.

After interviewing a diverse group of employers and college professors—the prime consumers of K–12 education in this country—Public Agenda found profound dissatisfaction with the way public schools are preparing students. More than 60 percent of employers and three quarters of professors said they believe that a high school diploma is no guarantee a student has learned the basics, and nearly 7 out of 10 employers said the high school graduates they see are not ready to succeed in the workplace. It was for this reason that the National Association of Manufacturers recently issued a report advocating dramatic reforms in our elementary and secondary education system to promote higher standards, greater choice and greater accountability, and among the chief recommendations was the expansion of charter schools.

In making the case for charters and other like-minded reforms, the author of the NAM report cited a quote from James Madison that I think is relevant to our discussion today. "Why is an experiment . . . to be rejected merely because it may comprise what is new?" Madison asked. "[The American people] have not suffered a blind veneration for antiquity or custom. . . They reared the fabrics of government which have no model on the face of the globe."

I recognize that the charter concept is still in its relative infancy, that some skeptics inside the Beltway and out still have some legitimate concerns, and that we must be realistic about the limits and potential drawbacks of the charter school model. But as this hearing goes on today and the Senate considers our legislation, I would ask my colleagues and our friends in the education community to remember Madison's admonition and not dismiss the charter movement just because it departs from the status quo.

Listen to Joan Heffernan, Ray Jackson, and many others like them, and I think you will find that charter schools represent our highest commonly-held ideals and aspirations for public education. These educators are not a threat but a treat to be around. I would urge you to support the Charter School Expansion Act to make sure others have the opportunity to benefit from the trails they have blazed.

Again, I want to thank the Committee for the opportunity to testify, and I look forward to answering any questions you have about our legislation or the charter movement in general.

The CHAIRMAN. I want to assure you that I consider this a high priority, and that is why we are having the hearing today. Senator Coats has been pushing me, and I am glad.

I also would like to take some time—maybe the four of us could take a look at a couple of the charters here in DC., so I would appreciate that, and then I might get even more excited.

Senator LIEBERMAN. I appreciate your willingness to spend some time on that. The Options School that Tim spoke about is an experience. Here, you have a woman, Kathy Martins, who had a dream, worked at creating this school, and she does something remarkable. She says to the DC. public school system: Do not give me your best. Give me a bunch of kids who are most likely to drop out of school, and I want to see what I can do with them.

And the record is exactly what Tim has suggested, and you can feel it. We have all been in classrooms. You have been in classrooms where you can sense that either the kids are behaving today because the Senators are visiting, or they are not behaving, which makes you worry even more. Or, you have been in a classroom where you can sense that what is happening today, which is good, is what happens every day. And most exciting, which I saw at that school, is the energy, innovation and commitment of the teachers which the kids feel.

At one of the schools I visited, I asked, Do you like it here. They said yes. This happened to be a school in Bridgeport, CT. When I asked why do you like it, they said, well, the teachers here really seem interested in us—I guess that is something we would assume—and they said the classes are smaller, interestingly, in that school, which runs counter to some of the social science. So I hope we can visit those.

The CHAIRMAN. I look forward to going with you, and I mean that sincerely, because as you know, in Washington, we need help very badly.

Senator LIEBERMAN. Of course, Mr. Chairman, you are no stranger to visits to public schools in Washington, DC. and elsewhere.

The CHAIRMAN. That is why I want to go with you.

Congressman Roemer.

Mr. **Roemer**. Mr. Chairman, if I could just jump in real quickly before I live up to my promise to Senator Lieberman and do not talk very long so I can get back over to the House side, we would welcome working with you to visit some of the DC. charter schools, particularly the Options Charter School, the Seed Foundation school that is going to be right next to the charter school, which again is addressing the at-risk population here in DC., many of the inner-city children who have disruptive neighborhoods and disruptive home lives, who often have problems that they bring to school, and the Options School has found ways to help and assist these children and to graduate them at higher rates than the regular public school system.

Senator Lieberman mentioned the National School Board Association study that looked at the ripple effect. This Options School has had this ripple effect. Not only are 100 children served and doing better who are living in this neighborhood; it has fostered the growth of this brand new Seed Foundation School that is going to be doing the same thing in the adjoining building.

So the ripple effect is spreading to children, spreading to new charter schools, helping at-risk children, and as I mentioned in last week's hearing, I visited a prison in my congressional district, and in going through the prison, I asked the superintendent of schools what do you calculate is the number of new prisons and prison cells and increased expenditures on, and he stopped, and he said, "Tim, you have finally asked me a good question. Let me answer that. We look at the number of at-risk children in the second grade, and then we project new prison cells for them." So if there are 20 children, and 5 of those children are a risk of dropping out, we start building new prisons and new prison cells for them. These charter schools are going directly at that at-risk population and saving us probably for every $3,000, $4,000 or $5,000 you spend on a charter school child or whatever it might be, it is $35,000 to incarcerate somebody.

So that spiritually and economically and educationally, I think charter schools are an option, and we look forward to working with you.

I will have to excuse myself now to run back over to the House side—where they do not forget my name quite as often as they do on this side.

Thank you again, Mr. Chairman.

The **Chairman**. Thank you.

Senator Coats.

Senator **Coats**. Mr. Chairman, having had Congressman Roemer over here 2 weeks in a row now, his name is becoming well-known, certainly in this room, and as he leaves, I want to thank him for his efforts on this and close the deal here, Mr. Chairman, in taking you up on your generous offer to come with us and visit one of these schools.

First of all, let me thank you for holding this hearing and allowing us to address this important subject. And second, let me join Senator Lieberman in thanking you for your tireless work in addressing some of the problems that we are having in the DC. public schools. You have rightly identified this as an area of our responsibility. You have taken the lead in this. It would really be a joy to join you in seeing first-hand the results of what some of these kids have done for the young people of DC.

I might just point out two recent studies, one by The Hudson Institute, entitled "Charter Schools in Action," a 2-year study which points out the success of charter school; and the Department of Education's own Charter School Report, which says that when schools are lifted from the burden of regulations and bureaucracy, they have an opportunity to realize an educational vision that has resulted in great opportunities for young people in a way that has not altered racial composition in the schools. In fact, charter schools on statewide averages have a higher proportion of minority students than the public schools and roughly the same proportion of low-income students as public schools. So we are not skimming the cream of the crop here, but we are reaching out.

I know the chairman wants to continue the hearing. I am going to run and vote, since the light just went on, and then I will hustle back so the chairman can go and vote and we can move on to the next panel.

I want to thank my colleague Senator Lieberman for his tireless efforts in this, and we look forward to working with you.

The **CHAIRMAN**. Thank you.

Senator **LIEBERMAN**. Mr. Chairman, it struck me—just to say one last paragraph—in a way, you kicked off to us, and we took the ball on the 20-yard line and ran; but we should go back to the goal line for anybody in the room and, more particularly, for anybody watching on television to say briefly what charter schools are. We have assumed, or at least I did in my statement.

The breakthrough idea here is that charter schools are schools created by people, usually teachers, who apply to the local or State board of education, depending on the State law, for a charter to run a public school for a period of years, usually 5, during which they are freed of most of the top-down bureaucratic regulations and controls, and they are giving the opportunity to educate the kids as they feel will be most effective. And periodically, but ultimately at the end of the 5 years, they are judged by their results. That is the accountability I spoke about. And if they have worked for the kids, and the kids have been well-educated, then that charter will naturally be renewed; but if they have not been, then the charter will be suspended. So it is an invitation to innovation, but also to accountability and to remind us that just because something exists, if it is not functioning in the interest of the children, then it should not continue to exist. And so far, early returns are that it is working brilliantly.

Again I thank you, Mr. Chairman, for the time you have given to this hearing, for the general work that you do to better the education of our kids all across America, a lot of which is of no personal political benefit to you, I know. I cite you sometimes when people ask me, who are some Senators that are doing some things that are beyond the political calculus that we are often accused of here, and I doubt that you gain many votes for the time you have spent to try to help the kids of the District of Columbia. Maybe I am even hurting you by mentioning it too much. But I think it makes you a great Senator, and I thank you for that.

The CHAIRMAN. Well, thank you, but kids are kids are kids, and I am just trying to get everyone to understand that. And our kids here in the Nation's Capital need our help, and I know that, working with you, we are going to get some help.

That is why I like the concept of the charter school, because it does not have the emotionalism connected to it, as some other suggestions do, and it does get to the basic problem of letting the schools get control over themselves so they are not suffering from problems that will take a long time to get rid of.

Thank you very much. I look forward to working with you.

Senator LIEBERMAN. Thank you, Mr. Chairman.

The CHAIRMAN. Our next witness will be Cornelia Blanchette, the associate director for education and employment issues with the United States General Accounting Office, fondly referred to as GAO.

Ms. Blanchette will discuss charter schools' experiences in assessing Federal funds.

You have brought with you a backup team; it took my by surprise when I looked up, and all of a sudden, I see all of these wonderful people. Would you please proceed and introduce them as well?

STATEMENT OF CORNELIA M. BLANCHETTE, ASSOCIATE DIRECTOR, EDUCATION AND EMPLOYMENT ISSUES, HEALTH, EDUCATION AND HUMAN SERVICES DIVISION, U.S. GENERAL ACCOUNTING OFFICE, WASHINGTON, DC, ACCOMPANIED BY HARRIET GANSON, JEFF APPEL, AND BENJAMIN JORDON

Ms. BLANCHETTE. Yes, certainly. Good morning, Mr. Chairman. We are pleased to be here this morning to assist the committee in its deliberations on charter schools.

This morning, I am accompanied by the team that has actually done the work that I will briefly summarize and which is described in our longer statement. To my right is Harriet Ganson, who is assistant director for two assignments that resulted in this testimony, one assignment looking specifically at charter schools' ability to access Title I and IDEA funds, and the second assignment looking at the public charter school grant program and what is happening there with regard to new charter schools. Harriet is our assistant director who does much of our elementary and secondary education work.

To my immediate left is Jeff Appel, who was the evaluator in charge of the Title I and IDEA work, and at the far end is Ben Jordon, who led our efforts to capture information on the start-up grant program.

This morning, I am going to talk briefly about charter schools' experiences in accessing these three categories of funds. I will also talk about factors that charter school operators and others have reported to us as either helping or hindering charter schools as they attempt to access particularly Title I and IDEA funds; charter school operators' opinions about whether they believe their schools received their fair share of these funds; and Federal and State efforts to help charter schools access Title I and IDEA funds.

The work that was done in support of our findings and conclusions was done at the request of this committee as well as some requestors on the House side. Our methodology primarily involved case studies of charter schools in seven States which accounted for 91 percent of the number of charter schools that are in operation in school year 1996-1997. Those States were Arizona, California, Colorado, Massachusetts, Michigan, Minnesota and Texas.

We also did a telephone survey of charter school operators, 41 such charter school operators in the seven States, and we interviewed State department officials, including the superintendent from Arizona, from whom you will hear shortly, and we visited charter schools in four of the seven States—in Arizona, California, Massachusetts and Minnesota.

What we found was that slightly more than half the schools we surveyed have received start-up grants under the public charter school program that range from $7,000 to $84,000, with an average of $36,000. These grant funds were used primarily for curriculum materials and equipment, including playground equipment, and also technology—and I distinguish between equipment and technology, technology being the computers and telecommunications equipment—and for facilities, either for renovation or for leasing facilities.

With regard to funds received under Title I of the Elementary and Secondary Education Act, most of the charter schools that applied for such funds received them. This is also true for IDEA funds—that is, funds under the Individuals with Disabilities Education Act. Most of the charter schools that applied received such funds. A number of the schools we surveyed did not apply.

The CHAIRMAN. Excuse me. To whom do they apply?

Ms. BLANCHETTE. It depends on whether the school is considered a local education agency in and of itself, in which case it would apply to the State. If it is a school within an LEA, it will be treated as all public schools within an LEA, and it did not apply necessarily per se, but we are using the word "apply" rather broadly, meaning that the school somehow got the attention of the LEA, basically, and was considered among the public schools in that district.

The way the procedure works, the Department of Education grants funds to State education agencies, and State education agencies sub-grant to local education agencies. As I said, in some cases, charter schools are considered local education agencies. It really depends on the chartering authority and what State law says.

The CHAIRMAN. Thank you. Go ahead, please.

Ms. BLANCHETTE. Overall, of all the schools we surveyed, two-fifths received Title I funds, and slightly more than half received IDEA funds or IDEA-funded services.

With regard to whether schools were getting fair treatment, two-thirds of the charter school operators who expressed an opinion believed that they did get a fair share, and I will emphasize that this was their opinion, that they were satisfied with what they got, given the characteristics of their school and what they knew about other schools in their area.

We also asked about barriers that charter school operators believed hindered them from getting Title I and IDEA funds, and the most cited one was difficulties in establishing program eligibility.

This was particularly true for first-year charter schools that had to show a portion of their enrollment—or, number one, the number of students enrolled—and then demonstrate the portion that was from low-income families. This was difficult both in terms of knowing in time to get funds how many students would be enrolled and being able to substantiate the income of the families.

There were also workload demands on the operators that prevented them, in their opinion, from applying for funds or from doing the work they needed to do to get access to the funds, and that also comes into play when you consider how much the school was eligible to get. Some schools did not apply because they did not feel they would get enough to make it worth their while given the amount of effort that had to go into it. That is also relevant here, that charter school operators to a large extent are educators, not business managers or people who are necessarily familiar with Federal and State laws and regulations.

There was also, related to that, a lack of program and administrative experience both on the part of some charter school operators, but also on the part of LEAs and State education agencies. Charter schools, as has been talked about already this morning, are a relatively new phenomenon, and in many instances the LEAs in the States had not gotten their policies and procedures in place to allow charter schools to access these funds.

In terms of things that facilitate access, outreach efforts on the part of LEAs, independent groups and States were very helpful, particularly outreach activities that allowed charter school operators to know what funds were available and what they would be eligible for. Technical assistance in applying for the funds was also cited, as were State and local programs, flexibility in allowing charter schools to demonstrate their eligibility in perhaps different ways than traditional public schools would use.

State initiatives to help charter schools included just that—revising their policies and procedures to accommodate the unique nature of charter schools. Several States also provided training and technical assistance to charter school operators.

The Department of Education during the course of our work issued guidance to State and LEAs on allocating funds to charter schools, and in this guidance, the Department stressed that charter schools were indeed eligible for Title I and IDEA funds and encouraged States and LEAs to be flexible in their criteria for establishing eligibility, and also encouraged States to set aside some of their administrative funds which they could legally take off the top, so to speak, from the Federal allocation from the Department of Education and to use some of those funds, or maybe some funds they could reallocate from other LEAs or public schools, to actually provide money for charter schools that started up after the original allocation of funds.

The Department has also sponsored national meetings of charter school operators and other interested in charter schools, and they have a web site on the internet which has been helpful in terms of a source of information.

The conclusion we have reached as a result of our work is that there does not seem to be anything that is systematically denying charter schools access to Title I and IDEA funds. We also looked at the issue of whether the structure of charter schools—that is, whether a charter school is an LEA or part of an LEA—made a difference in terms of access to funds, and what we found from our survey was that there was no substantial difference in a charter school's ability to access funds based on whether it was considered an LEA or not. The barriers were related more to information and assistance than to anything else that we could discover during our work.

This concludes my statement, and at this time, we would be happy to answer any questions you may have.

[The prepared statement of Ms. Blanchette follows:]

United States General Accounting Office

GAO

Testimony

Before the Committee on Labor and Human Resources,
U.S. Senate

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CHARTER SCHOOLS

Recent Experiences in Accessing Federal Funds

Statement of Cornelia M. Blanchette, Associate Director,
Education and Employment Issues
Health, Education, and Human Services Division

GAO/T-HEHS-98-129

Mr. Chairman and Members of the Committee:

We are pleased to be here today to discuss charter schools' experiences with accessing selected federal education funds designed to help charter schools get started and to serve special populations.

The number of charter schools is growing rapidly, offering a new model for public schools. This model is intended to address concerns about our educational system, including unresponsive school district bureaucracies, restrictive rules, and a lack of accountability for student performance. In addition, charter schools provide opportunities for parents and others to create schools that reflect their visions for their children's education, including design, governance, and delivery features. Charter schools are generally designed to operate with more autonomy from state and local rules and regulations than are other public schools. In exchange for this autonomy, charter schools are held accountable for meeting the terms of their charters, which may include achieving stipulated academic outcomes. Schools that do not meet the terms of their charters face revocation of their charters.

Today, I will discuss charter schools' experiences in accessing selected federal funds--namely, start-up grants and grants under title I of the Elementary and Secondary Education Act (ESEA) and the Individuals With Disabilities Education Act (IDEA), factors that help and hinder charter schools in accessing title I and IDEA funds, and charter school operators' opinions about whether they are receiving a fair share of these funds. Finally, I will discuss state and federal efforts intended to help charter schools gain access to title I and IDEA funds. My discussion is based on the results of a study that we are conducting at your request. We are now preparing our final report, which we expect to issue in April.

For this study, we have conducted case studies in seven states[1] that collectively accounted for 91 percent of charter schools operating in the 1996-97 school year and surveyed by telephone a sample of 41 charter schools in these states. We also spoke with state department of education officials in each state and visited several charter schools located in four of the seven states. Because of our sampling methodology, our results can be applied to the charter schools operating in our sample states. (App. I provides additional information about our sample.)

In summary, slightly more than half of the schools we surveyed have received start-up grants ranging from $7,000 to $84,000 since the grant program's inception in 1995. The average grant amount was $36,000. The schools used the start-up grant funds for a variety of purposes, including curriculum materials and equipment, other technology, and

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[1] The states are Arizona, California, Colorado, Massachusetts, Michigan, Minnesota, and Texas.

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facilities renovation or leasing. About two-fifths of the charter schools we surveyed received title I funds, and slightly more than half of the schools received IDEA funds or IDEA-funded special education services. Most charter school operators we surveyed who expressed an opinion told us they believe they received a fair share of federal title I and IDEA funds. Nonetheless, charter school operators also cited a variety of barriers to accessing title I and IDEA funds, including (1) difficulties in establishing program eligibility, (2) workload demands, and (3) a lack of program and administrative experience. They reported that outreach and technical assistance were critical to helping them access federal funds.

Several states and the Department of Education have begun initiatives to help charter schools' access federal funds. Some states, for example, are revising or developing alternative allocation policies and procedures to better accommodate charter schools' access to federal funds and providing training and technical assistance to charter school operators. The Department has recently issued guidance to states and school districts on allocating title I funds to charter schools, and, among other things, has sponsored national meetings for state officials and charter school operators.

BACKGROUND

Charter schools are public schools that operate under charters (or contracts) specifying the terms by which they may operate. In general, they are established under state law, do not charge tuition, and are nonsectarian. State charter school laws and policies vary widely regarding the degree of autonomy provided to the schools, the number of charter schools that may be established, the qualifications of charter school applicants and teachers, and the accountability criteria that charter schools must meet. As of September 1997, 29 states and the District of Columbia had enacted laws authorizing charter schools, according to the Center for Education Reform. In school year 1996-97, over 100,000 students were enrolled in nearly 500 charter schools in 16 states and the District of Columbia. (App. II shows the states with charter school laws as of September and the number of charter schools operating during the 1996-1997 school year by state.)

To explore the effects of various education reform efforts, in January 1997, the Congress began holding hearings in Washington, D.C., and around the country. Among other reform efforts, the Congress has focused on the development of charter schools. Charter school operators and others at the hearings raised concerns about charter schools' receiving the share of federal title I and IDEA grant funds they are eligible to receive. These concerns were raised in part because of differences in the way charter schools receive funds. Some charter schools receive funds directly from their states, while other charter schools depend on their local school districts for title I and IDEA program benefits. In addition to learning more about this issue, the Congress has expressed interest in learning how charter schools use federal funds intended to help them get started as new schools.

Public Charter Schools Grant Program

To improve understanding of the charter school model, the Congress authorized the Public Charter Schools Program (start-up grants) as part of its 1994 reauthorization of ESEA. Under the program, the federal government provides financial assistance for the design and initial implementation of charter schools. The Department of Education has the authority to competitively award grants to states with laws authorizing the operation of charter schools. In evaluating state grant applications, the Department must use a peer review process and judge states' applications on the basis of several criteria, including the (1) contribution that a state's program will make toward helping educationally disadvantaged and other students in achieving state content and student performance standards, (2) degree of flexibility that a state will offer charter schools, and (3) likelihood that a state's program will improve students' educational results.

States that receive grants, in turn, award subgrants to charter schools. (If a state does not apply for a grant, individual or groups of charter schools may apply directly for grants to the Department.) States may use up to 5 percent of their grant award for administration and may set aside 20 percent for establishing a charter school revolving loan fund. Grants awarded to charter schools must be used for either (1) the planning and design of a charter school, which may include establishing achievement and assessment standards and providing professional development for teachers and other staff, or (2) the initial implementation of a charter school, which may include informing the community about the school, acquiring equipment and supplies, developing curricula, or initial operational costs.

Title I and IDEA Programs

Although dozens of financial aid programs exist for public elementary and secondary schools, two programs, title I and IDEA, are by far the largest federal programs. Under title I and IDEA, the Department allocates funds to state educational agencies (SEA), which then allocate funds to local educational agencies (LEA) or school districts. Charter schools receive title I and IDEA funds from their SEAs therefore in states that treat charter schools as LEAs (called the independent model). LEAs allocate title I funds to schools in their districts. In addition, LEAs provide special education and related services to eligible children enrolled in their schools and use IDEA funds to help pay the costs of doing so. Charter schools in states that treat these schools as dependents of an LEA (called the dependent model) benefit from the title I and IDEA programs on the same basis as do the LEAs' other schools. The seven states in our review used both the independent and dependent funding models. Although Massachusetts and Minnesota consider all charter schools as independent LEAs, California and Colorado consider all charter schools as dependent members of a school district. Arizona, Michigan, and Texas use both models within their states depending on the particular program involved, the chartering authority, or other circumstances.

Title I Program

Title I is the largest federal elementary and secondary education aid program. The program provides grants to school districts or LEAs to help them educate disadvantaged children–those with low academic achievement attending schools serving high-poverty areas. To be eligible for title I funds, LEAs must meet statutory and regulatory guidelines for minimum poverty thresholds.

LEAs that have more than one school–including charter schools operating under the dependent model–allocate title I funds among their schools. The federal statute and regulations lay out complex criteria and conditions that LEAs use in deciding how to allocate funds to their schools, which results in shifting title I funds received by LEAs to individual schools with relatively higher percentages of students from low-income families. An individual school that is part of an LEA in a high-poverty area therefore might have to have enrolled a higher percentage of low-income children to receive title I funds than it would have if the school were treated as an independent LEA. In this case, a charter school that would have received title I funds as an independent LEA may not receive title I funds under the dependent model because other schools in the LEA served higher percentages of low-income children.

IDEA Program

The IDEA federal grant program is designed to help states pay for the costs of providing a free appropriate public education to all eligible children with disabilities between the ages of 3 and 21 living in the state, depending on state law or practice. The act requires, among other things, that states make such education available to all eligible children with disabilities in the least restrictive environment.

Under the current formula, the Department of Education annually allocates funds to SEAs on the basis of their reported numbers of eligible children receiving special education and related services for the preceding fiscal year,[2] the national average per pupil expenditure, and the amount the Congress appropriates for the program. The most funding that a state may receive for any fiscal year is capped at 40 percent of the national average per pupil expenditure multiplied by the number of eligible children with disabilities in the state who receive special education and related services.[3]

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[2] This number may not exceed 12 percent of all school-aged children in the state during the same time period.

[3] This cap has not affected the allocation of funds because the amount appropriated has not exceeded the cap.

Under the current formula, states must distribute at least 75 percent of the IDEA funds they receive from the Department to LEAs and may reserve the rest for state-level activities.[4] In general, SEAs allocate IDEA funds to eligible LEAs on the basis of their relative share of their state's total number of eligible children receiving special education and related services.

The benefits that individual schools may receive from IDEA funds vary by state. States may allocate IDEA funds to LEAs or to other agencies included in the act's definition of LEAs. These other agencies include, for example, regional educational service agencies authorized by state law to develop, manage, and provide services or programs to LEAs. Some states allocate IDEA funds to regional educational service agencies for providing special education and related services to children with disabilities enrolled in the schools of one or more LEAs, including charter schools. Other states allocate IDEA funds directly to school districts, which then develop, manage, and provide their own such services to children with disabilities.

CHARTER SCHOOLS' EXPERIENCE WITH FEDERAL FUNDS

A majority of the charter school operators that we surveyed reported that they received fiscal year 1996 federal start-up grant funds. Operators used these funds for a variety of purposes to establish their charter schools. Although no centralized repository of data exists for determining the extent to which charter schools have received federal funds nationwide, our study suggests that charter schools in the seven states we surveyed have not been systematically denied access to title I and IDEA funds.

Public Charter Schools Program

To date, the Congress has appropriated $156 million for start-up grants under this program. In fiscal year 1996, the Department of Education awarded grants to 19 states, the District of Columbia, and Puerto Rico, ranging from about $191,000 to about $1.9 million, according to Education.[5] In turn, each state made grant funds available to charter schools in their states. The seven states in our survey all received fiscal year 1996 program funds; the amounts they received ranged from $600,000 to almost $1.9 million. (See table 1).

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[4] The 1997 IDEA amendments capped the amount SEAs may retain for state-level activities. In the future, SEAs may retain an amount that is 25 percent of the amount of IDEA part B funds that the SEA received in fiscal year 1997, cumulatively adjusted b [illegible] lesser of (1) the percentage increase, if any, in the state's allocation of IDEA part B funds from the preceding fiscal year or (2) the inflation rate.

[5] Education also awarded grants to three schools in New Mexico, which did not apply for funds under the program.

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Table 1: Department of Education Fiscal Year 1996 Charter School Start-up Grant Awards to Seven States

State	Award
Arizona	$1,150,000
California	1,250,000
Colorado	1,000,000
Massachusetts	1,586,780
Michigan	1,872,828
Minnesota	749,730
Texas	500,000

Source: Department of Education.

Of the 41 charter schools responding to our survey, slightly more than half (or 23) received fiscal year 1996 start-up grants. States awarded grants to these schools ranged from $7,000 to $84,000; the average grant amount was about $36,000 and the median was $32,500. Funds received by individual charter schools varied by state. These differences reflect states' flexibility in administering their grant programs and in allocating funds.

States may determine the amount of funds to award to any one charter school. Consequently, the amount of funds awarded does not depend on school enrollment or the particular need for which charter schools sought funding. In Texas, for example, all charter schools received an equal amount of fiscal year 1996 grant funds ($26,785), even though enrollment at these schools varied greatly–from 90 students in one school to 180 students in another.

The charter schools in our survey that received start-up grants used these funds most often to help pay for school equipment and curriculum materials, technology, and facilities renovation or leasing. Several charter schools used these funds for multiple purposes. (See table 2.)

Table 2: Use of Seven States' 23 Charter Schools' Start-up Grant Funds, Fiscal year 1996

Purpose (not mutually exclusive)	Number of schools
School equipment and curriculum materials	11
Technology	11
Facilities leasing/renovation	10
School evaluation and student testing	6
Training	5

Operators of charter schools we surveyed that did not receive grant funds told us that their schools were either (1) ineligible for grants under their state guidelines, (2) unsuccessful in competing for a grant, or (3) did not apply for a grant. Schools ineligible for funds included schools that were no longer considered start-up operations or had previously received funds and did not qualify under state guidelines. Some charter school operators told us that although they applied for start-up grants, their applications were scored lower than other schools' and, as a result, did not receive awards. Finally, a few charter school operators said that they did not apply for start-up grants because they were uninterested, did not need funds, or did not know that funds were available.

Title I and IDEA Programs

Charter schools, as public schools, have access to federal program funds on the same basis as traditional public schools. Under these programs, such as title I of ESEA and IDEA, the federal government provides several billion dollars annually. Nationwide, the Department makes an annual average amount of about $800 available to LEAs for each child counted in the title I allocation formula. In total, the federal government will provide more than $7 billion in title I assistance during fiscal year 1998 to help schools provide additional services to educationally disadvantaged children. Under IDEA, the federal government will provide about $4.2 billion in fiscal year 1998 to help schools pay for providing a free appropriate public education to children with disabilities. According to Education, these funds are expected to provide, on average, about $639 per student for services provided to the nearly 6 million eligible students aged 3 through 21, plus an additional $650 per student to provide services for approximately 575,800 eligible preschool children aged 3 through 5.

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Despite concerns about issues related to the funding of charter schools raised during the 1997 congressional hearings, most charter school operators we surveyed who had applied for title I and IDEA funds received them.[6] Overall, about two-fifths of the charter schools we surveyed received title I funds for the 1996-97 school year. Survey results indicated that slightly more than one-third of charter schools operating under the independent model and almost one-half of the schools operating under the dependent model received title I funds. Table 3 shows the number of charter schools surveyed that received title I funds by funding model.

Table 3: Number of Surveyed Charter Schools That Received or Did Not Receive Title I Funds for the 1996-97 School Year by Funding Model

	Independent	Dependent	Total
Received title I funds	9	7	16
Did not receive title I funds[a]	16	9	25

[a] Operators of 16 of these schools told us they did not apply for title I funds. We could not determine whether they would have received title I funds had they applied.

About two-fifths of the charter schools we surveyed did not apply for title I funds. Charter school officials who did not apply cited reasons such as (1) a lack of time to do so, (2) their school was ineligible for funds and therefore they did not apply, or (3) they found that applying for these funds would cost more than the funding would provide. Of those schools that applied for title I funds, two-thirds, or 16 of 25, reported receiving funds. Title I funding for these schools ranged from $96 to $941 per poverty student; the average amount was $466 per poverty student and the median amount was $413. The difference in per student funding relates to the allocation formulas, which consider the number and proportion of low-income children in the school, district, and county. Title I funds received by these schools represented between 0.5 and 10.0 percent of their total operating budgets.[7] For all but four of these schools, funds received represented 5 percent or less of the schools' total operating budgets.

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[6] Although schools dependent on an LEA do not technically apply for federal funds, we use the term to describe the process by which charter schools must provide the necessary data to the LEA so the LEA may apply for funds.

[7] This is for the 14 schools reporting a 1996-97 operating budget and receiving title I funds.

Regarding the IDEA program, slightly more than half of our survey respondents received funds or IDEA-funded services. Of all charter schools surveyed, two-fifths operating under the independent model received funds or IDEA-funded services; three-quarters of those operating under the dependent model received funds or services. Table 4 shows the number of charter schools surveyed that received IDEA funds or IDEA-funded services by funding model.

Table 4: Number of Surveyed Charter Schools That Received or Did Not Receive IDEA Funds or IDEA-Funded Services for the 1996-97 School Year by Funding Model

	Independent	Dependent	Total
Received IDEA funds or funded services	10	12	22
Did not receive IDEA funds or funded services[a]	15	4	19

[a] Operators of 14 of these schools told us they did not apply for IDEA funds or services. We could not determine whether they would have received funds or services had they applied.

Overall, about a third of the charter schools we surveyed did not apply for IDEA funds or services. Charter school officials who did not apply cited reasons similar to those who did apply for title I funds such as (1) a lack of time to do so, (2) they were not eligible for funds, (3) they did not know about the availability of IDEA funds, or (4) they found that applying for these funds would cost more than the funding would provide. Four-fifths of the charter school officials who told us that they applied for IDEA funds or services reported that they received funds or services for the 1996-97 school year. For schools that obtained IDEA funds, rather than services, amounts received ranged from $30 to $1,208 per eligible student; the average school value was $421 per eligible student, and the median value was $206. IDEA funds received by schools represented between 0.08 percent and 2.50 percent of their total operating budgets.[4]

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[4] This is for the six schools reporting a 1996-97 operating budget and receiving IDEA funds.

MOST CHARTER SCHOOL OPERATORS BELIEVE THAT THEIR SHARE OF TITLE I AND IDEA FUNDS IS FAIR

Regardless of funding model, two-thirds of the charter school operators expressing an opinion believe that they received a fair share of title I and IDEA funding. About one-fifth of the charter school operators we surveyed had no opinion or did not answer the question. Regarding title I funds, twice as many survey respondents--under both the independent and dependent funding models--believe that they received a fair share of these funds than believe otherwise. Regarding IDEA funding or IDEA-funded services, however, about as many survey respondents under the independent funding model believe that they received a fair share as believe otherwise. For charter schools under the dependent model, however, about four times as many survey respondents believe that their schools received a fair share of IDEA funds or services as believe otherwise.

SOME BARRIERS HINDER CHARTER SCHOOLS IN ACCESSING TITLE I AND IDEA FUNDS

Even though many charter school operators we surveyed believe that they received a fair share of federal funds, they reported, as did state officials and technical assistance providers, that several barriers hindered charter schools' access to title I and IDEA funds. These barriers included (1) difficulties in establishing program eligibility, (2) workload demands that prohibited schools from pursuing program funds or made doing so too costly, and (3) charter school operators' and district and state administrators' lack of program and administrative experience.

One barrier reported by charter school operators was the difficulty in establishing program eligibility primarily due to a lack of a prior year's enrollment data and problems collecting student eligibility data. For example, three charter school officials told us that because they had no prior year's enrollment or student eligibility data, they were not eligible under state guidelines for federal funds. School officials noted that besides this being a problem for new schools, using even 1-year-old enrollment data can significantly understate the number of title I-eligible students enrolled in schools that are incrementally increasing the number of grades they serve. Other school officials reported difficulty in collecting required student eligibility data because some families are reluctant, due to privacy concerns, to return surveys sent home with students asking for the amount of household income.

Competing workload demands were another barrier reported by charter school officials. In our survey, several school officials emphasized that other administrative and educational responsibilities left them little time and resources to devote to accessing title I and IDEA funds. These officials often played many roles at their schools, including principal, office manager, nurse, and janitor. In addition, even though a majority of a charter school operators who noted in our survey that the title I and IDEA application processes were only somewhat or not at all difficult, some operators told us that, nonetheless, it was not worth their while to pursue these funds. One operator, for example, said that application and program compliance costs would exceed the amount of funds his school would be eligible for, while another said that the amount of funds his school could expect to receive was simply not worth his while to apply for them.

Finally, we spoke to technical assistance providers and consultants who told us that charter school operators are often dedicated educators but generally lack business and administrative experience in general or experience with federal programs in particular. They told us that such inexperience may likely discourage individuals from pursuing federal funding for their schools. Some operators told us that their lack of experience with the title I and IDEA programs was a barrier to accessing these funds. In addition, charter schools represent new and additional responsibilities for districts and SEAs that administer federal programs. As a result, state and district officials told us that it has taken time to develop new policies and procedures to accommodate charter schools.

Charter school operators reported that outreach and technical assistance were critical to their ability to access federal funds. Charter school officials most often cited receiving information about the availability of federal funds and the amount their schools would be eligible for as factors helping them access title I and IDEA funds. Officials cited a number of sources from which they had obtained such information, including their own states' departments of education and local school district officials. In addition, other operators told us that state and local program officials' flexibility facilitated their access to funds.

STATE AND FEDERAL EFFORTS TO HELP CHARTER SCHOOLS ACCESS FEDERAL FUNDS

Several states and the Department have taken steps to help charter schools access federal funds. Some states, for example, are changing allocation procedures to better accommodate charter schools and providing training and technical assistance to school operators. Among other things, some states are allowing charter schools to use comparable--and more easily obtainable--data to establish the income levels of students' families. Such efforts will allow charter schools to demonstrate eligibility for title I funds without having historical data. In addition, some states have actively sought to inform charter school operators of available funds and provide training to school operators on applying for and administering these funds.

During our study, the Department developed guidance for states and LEAs on allocating title I funds to charter schools. This guidance clarifies that SEAs and LEAs must take all reasonable steps to ensure that charter schools receive their full title I allocation. The guidance strongly encourages SEAs and LEAs to be flexible in accommodating charter schools by, for example, allowing charter schools leeway in collecting and submitting data and using state administrative and excess title I funds to serve new charter schools.

Under the charter school start-up grant program, the Congress provided that the Department may reserve up to 10 percent of appropriated funds to conduct national activities. Using these funds, the Department has sponsored national meetings for state officials and charter school operators. In November 1997, for example, the Department sponsored a national conference for charter schools in Washington, D.C. The Department invited state officials and charter school operators from across the country and conducted workshops on topics, including federal grant programs, new requirements under IDEA, and developing and implementing charter schools. The Department has also funded the development of an Internet web site[3] with information on federal programs, charter school operational issues, a charter school resource directory as well as profiles of charter school states and charter schools.

CONCLUSIONS

Charter schools have used federal start-up funds for a variety of purposes, depending on the schools' particular needs. These needs have most often included school equipment and curriculum materials, technology, and facilities renovation or leasing. Our study suggests that charter schools in the seven states we surveyed have not been systematically denied access to title I and IDEA funds and that the barriers charter schools face in accessing these funds appear to have no relation to charter schools' treatment as school districts or as members of school districts. Rather, other barriers, many of which have no relation to the path federal funds take, have more significantly affected charter schools' ability to access title I and IDEA funds. These other barriers include state systems that base funding allocations on the prior year's enrollment and student eligibility data, the costs of accessing funds compared with the amounts that schools would receive, and time constraints that prevent charter school operators from pursuing funds. Despite these barriers, most charter school operators who expressed an opinion in our survey believe that title I and IDEA funds are fairly allocated to charter schools. Although a variety of factors help charter schools access federal funds, according to our review, training and technical assistance are critical to ensuring that charter school operators have access to these funds. Several states and the Department of Education have initiatives under way to facilitate such access.

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This concludes my statement, Mr. Chairman. I would be happy to answer any questions you or the members of the Committee may have.

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[3] The web site address is www.uscharterschools.org.

CHARTER SCHOOLS OPERATING DURING THE 1996-97 SCHOOL YEAR IN SELECTED STATES, INCLUDED IN OUR SAMPLE, AND RESPONDING TO OUR SURVEY

States	Charter schools	Percentage of total	Cumulative percentage of total[a]	Schools in sample	Schools surveyed	Schools that refused to participate
Arizona	164	34	34	13[b]	10	2
California	109	22	57	15[c]	12	2
Colorado	32	7	64	3	3	0
Massachusetts	22	5	68	7	5	2
Michigan	76	16	84	5	4	1
Minnesota	19	4	88	6	6	0
Texas	16	3	91	1	1	0
All others[d]	42	9	100	[e]	[e]	[e]
Total[f]	**480**	**100**		**50**	**41**	**7**

[a] Cumulative percentages of total may not add due to rounding of percentages.

[b] Although included in our universe of charter schools, one school had its charter revoked before the 1996-97 school year.

[c] Although included in our universe of charter schools, one school did not operate under a charter during the 1996-97 school year.

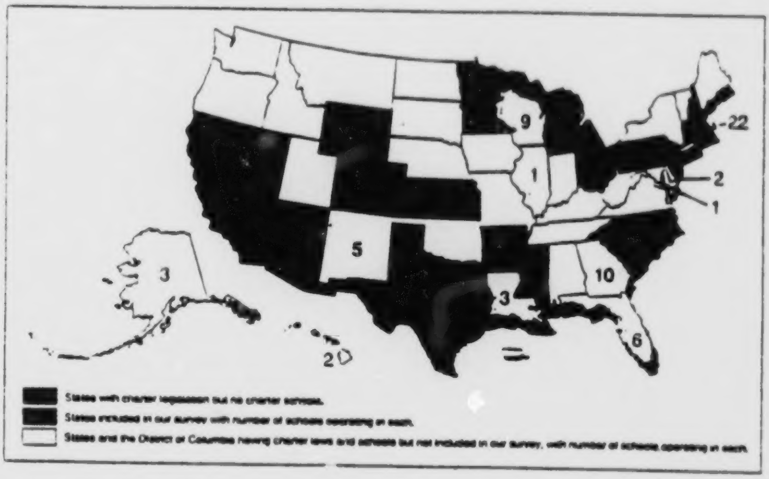
[d] Charter schools were also operating in Alaska, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Illinois, Louisiana, New Mexico, and Wisconsin during the 1996-97 school year.

[e] Not applicable.

[f] Totals do not include alternative schools operating in Oregon during the 1996-97 school year.

Sources: Center for Education Reform, Washington, D.C., and our analysis.

STATES WITH CHARTER LAWS AS OF SEPTEMBER 1997 AND NUMBER OF SCHOOLS OPERATING IN SCHOOL YEAR 1996-97


9
22
2
1
1
5
3
10
3
2
6
■ States with charter legislation but no charter schools.
■ States included in our survey with number of schools operating in each.
☐ States and the District of Columbia having charter laws and schools but not included in our survey, with number of schools operating in each.

Source: Center for Education Reform, Washington, D.C.

(104926)

Senator COATS [presiding]. Thank you very much, and I apologize for missing the early part of your statement, so I hope not to be repetitive here. But did you indicate whether you have looked at any of the outside studies and evaluated any of those in evaluating the Department's involvement?

Ms. BLANCHETTE. We did not evaluate the studies. We are aware of the Hudson study that has been mentioned this morning, and the Department's first report will be a 4-year series of reports on charter schools. We have seen those, and we know what is in them, and we believe they support what we found in our survey.

Senator COATS. You do not have any concerns about that being valid, or you have not heard any criticisms or questions from the Department about the validity of those studies in your evaluation?

Ms. BLANCHETTE. Well, we do not have any such concerns, but as I said, we did not evaluate those studies.

Senator COATS. But in reviewing the Department's involvement and looking at potential roadblocks or barriers to charter schools receiving full implementation and treatment within the Department, did you come across any instances of people questioning those studies, the results of those studies' conclusions, and using that as a basis for raising additional questions?

Ms. BLANCHETTE. I am not aware of any.

Ms. GANSON. Yes, we reviewed the studies basically to look at what they found in terms of barriers. The Hudson investigators visited a number of charter schools, and what they found was very similar and supported some of the same kinds of barriers as well as factors that facilitated.

In terms of the validity of the study or the study sample, we did not evaluate, especially in terms of the Department of Education, whether we thought it was a well-done study or not. We were mainly looking at areas that overlapped with our study in terms of support or not, and in terms of the Department of Education, there was not that much.

Ms. BLANCHETTE. These were basically descriptive studies of what is going on, what has happened in the initial years of charter schools. They were not so much studies of the impact—in fact, they were not studies of the impact of charter schools.

Senator COATS. In those areas where outside studies, particularly the Hudson study, indicated potential barriers, did you find that those barriers did in fact exist within the Department of Education?

Mr. APPEL. We heard from a number of charter schools about barriers similar to those cited in The Hudson Institute report, particularly with regard to State rules and regulations pertaining to the type of data needed for a charter school to apply for Title I funds and also similar stories about workload demands on charter school operators who are pretty much tied up with getting the school up and running and may not have the amount of time required to apply for the Federal funds or necessarily the experience that a traditional school district might have in applying for those funds.

Senator COATS. And how about the response of the DOE in terms of acknowledgment of those barriers and a willingness to work to try to streamline the process or address the issue?

Ms. BLANCHETTE. Particularly in light of the guidance that was recently issued by the Department, the Department certainly does acknowledge that, particularly for first-year charter schools, there are barriers. Both with regard to Title I and IDEA funds, the rules for how funds are allocated are very complex, and that is part of the difficulty, understanding the complexity and also understanding if you are a charter school operator what you are likely to get if you invest your time and energy into applying.

The Department, as I said, in its guidance has encouraged States and local education agencies, school districts, to be flexible with regard to charter schools, to understand that charter schools are a little bit different than other public schools, that particularly if it is a new school, if it is not a conversion of a previous public school, knowledge of what is available and what they are eligible for is something that may be hard to come by, that schools would have difficulty establishing eligibility because they are just starting or they are expanding. Even if a charter school has been in operation and is adding a grade, for example, each year, data from the previous year in terms of number of students and number of students from low-income families does not serve the school well in determining what its need would be or what it is eligible for in the current school year.

So these types of things have got to be taken into consideration, and the Department has definitely encouraged States and LEAs to do that and also encouraged them to set aside some funds, because what has happened is that by the time charter schools have been approved by an LEA, let us say, the State has already allocated its funds for the year, so that unless the State has held back some funds or the State has some mechanism for reallocating funds, there simply is not anything available for those first-year charter schools. So the Department has encouraged States to take a look at that.

Senator COATS. Is it your sense, then, that the Department, in making a determination about how outreach and technical assistance is provided, felt that that was better done through the State level, or that they wanted to encourage a partnership with the States in doing that, or should be handled out of the Department?

Ms. BLANCHETTE. Oh, I think the Department wants a partnership in terms of technical assistance.

Ms. GANSON. Yes. One thing that came up in our survey of charter school operators when we asked them about the technical assistance that they found useful was the State's role in providing that assistance. Particularly in Arizona, the school operators were very favorable in terms of the amount of assistance provided as well as the type of assistance in helping them walk through some of the steps that they had to go through in order to provide, as well as making them aware of funds that they were eligible for.

Senator COATS. I want to thank you all for your contribution to this effort. Your full report will be incorporated as part of our record. I suspect we will be talking more as we examine this new concept. Your contribution is very helpful to us, and we thank you.

Ms. **Blanchette**. You are welcome, and you will be getting our full report, much of which I have summarized here today, next month, toward the end of April.

Senator **Coats**. We look forward to that. Thank you.

Senator **Coats**. Our next witness is Lisa Graham Keegan, the State superintendent of public instruction in Phoenix, AZ. Ms. Keegan is going to give us a State perspective on charter schools. We thank you for your participation today and look forward to your testimony.

STATEMENT OF LISA GRAHAM KEEGAN, STATE SUPERINTENDENT OF PUBLIC INSTRUCTION, PHOENIX, AZ

Ms. **Keegan**. Thank you very much, Senator Coats.

I appreciate the opportunity to share Arizona's experience with you. I have had the opportunity to work on charter schools in Arizona since 1994, when I was in the House of Representatives in Arizona and helped to write this bill then, law now, and then, happily, was elected to this position so that, as a control freak, I could watch that happen in the Department of Education.

I know that Arizona's experience is reflected all over the country, but there are also some things very specific to Arizona that might be helpful to you, because we certainly appreciate the kind of support you are trying to give charter schools across the country.

You have already heard a lot about charter schools, and in my initial testimony, I go over why and how and all of that, which you already well know. Maybe some Arizona specifics would be helpful.

All of these options that we are providing in public education, I think are critical, and it is important to know that most of the philosophy in Arizona is that all options are necessary—public charter schools, traditional public schools, whatever atmosphere we can create that creates excellent education—and certainly, at the end of the day, it is the educators who put themselves on the line to provide this kind of environment to whom we owe a great deal of appreciation. But they are part of an overall system; they are not ancillary, nor do I think they should be.

In Arizona, we passed our law, as I said in 1994. It was a bipartisan bill, as they are in many States. It was a super-majority in Arizona when we passed this law. The difference between what Arizona did at that time and what most States had done is that instead of saying that you would go to your local school district governing board and apply to be a charter, we set up the possibility to start at the State board of education, and we also created something called the State Board for Charter Schools whose job it is to approve or disapprove potential charter schools. That is a fundamental difference in that it does not require that a school go before its district governing board and basically ask for a separation, nor does it require a school governing board to accept a charter school that it may not want to run. I do not think they should have to do that.

Most of the schools in Arizona are independent charter schools that have come up under this law. They do not belong to local school district governing boards. And interestingly, when the school districts do decide to charter, they generally are not chartering their own schools, the schools that they have had for some time;

they are chartering schools either outside their boundaries or completely new schools. It has been an interesting phenomenon.

Demographics in Arizona are that since 1994—our first school year was the fall of 1995—we have seen the development of 163 charter schools with about 27,000 students and 252 sites. To put that in perspective, Arizona has about 740,000 public school students total, so it is not a huge percentage, but it is a rapidly growing percentage of public school children in Arizona.

The ethnicity of the student body reflects what we are seeing in the country. Interestingly, this year, it is beginning to come in line with the traditional public system. At first, we saw a very high percentage of minority students as related to the traditional public students or schools. It looks like that is coming back in line now. My supposition is that those people who choose to put their children in charter schools first are already shopping, and as we know, in public education right now, unfortunately, a higher percentage of children who are minority children or low-income children are ill-served in the traditional public schools, and they are the first ones to opt out; their parents are already looking. So I think that that is probably something most States could expect.

Interestingly, the school leadership is staying stable. In traditional public schools, we have about a 17 percent school leadership minorities; in the public charter schools, that figure is about 25 percent, a consistently higher percentage of minority leadership in the public charter schools, again, many of these schools gearing toward those very students who have not been well-served in the past.

Types of schools in Arizona—yes, there are a number of schools, as has been alluded to, that are trying to serve the dropout child, the child at risk. Certainly, we have schools that have grown up around the need for special education. We also have "back to basics" schools, very rigorous academic curricula, international baccalaureate programs, Waldorf schools, Montessori schools, direct instruction, core knowledge schools. It really runs that gamut, and there is certainly no prohibition against any particular kind of curriculum so long as the school is following the State's academic standard, and they must demonstrate proficiency on behalf of their children for that standard.

In regard to academic achievement which, after all, is what these schools are really about for the individual students, I have to tell you first that I am very hard to impress when it comes to academic achievement. I think you need 3 to 5 years to claim any sort of victory, and it had better be sustained improvement over that time. When we see is that children are performing better as a rule in public charter schools than they were in their previous environment. However, I think part of our problem overall in traditional public education has been that the standard has been quite fuzzy, we have not known for sure where we were and the charter schools in Arizona explicitly must demonstrate pre-and post testing; they must show where their children are. So until we get the entire system up and accountable on the new set of standards which we have in Arizona, I think it is very difficult, quite frankly, to say that you can compare one system to another until the testing becomes uniform.

We do use the Stanford tests. This will be the second year that we have tested all children with that norm-referenced test, which is one piece, so I will look forward to those scores. My prediction is that the children will continue to do very well, and at the end of the day, the original reason for having gotten into this business will be justified. I am just very anxious that not just public charter schools, but all public schools, continue to improve against that standard.

Interest in Arizona continues to grow. We have no caps on charter schools in Arizona. The difference again, as opposed to a lot of States, is that we can start 50 charters at the State level every year, but a charter operator can operate an unlimited number of schools, so the number of schools is literally uncapped. School district governing boards have no caps whatsoever.

The effects on public education as a whole are numerous. It is not just the schools and the children in those schools themselves. A couple of anecdotes. In the largest traditional public school district in Arizona over the past 2 years, they have lost about 4,000 of their students. Two charter schools have started advertising and are also getting into the charter school business themselves. That was a fine district to begin with, but certainly they have been challenged by this movement, and there is strong attention to their own standards and lots of questionnaires going out to parents about why did you leave, why would you come back, which is a very healthy response, to go to parents and say we wanted to be here for you, and we missed you.

We have just seen an elementary district in inner-city Phoenix decide that it is totally unacceptable that only 17 percent of their children eventually graduated from the Union High School District of which they were a member; they went to the State Board for Charter Schools, chartered a high school, and they will no longer send their children to the traditional school district where they reside, but they will start their own high school on behalf of their children. That is a healthy response on behalf of those children. It is unacceptable to have graduation rates below the 20 percent mark for those children, and this presents an opportunity for them.

Later on today, the largest home builder in Arizona will announce that they will forge a partnership with a charter school operator that has produced high academic results and that in their next developments, instead of going the traditional school route, they will build charter schools. They see that as an enhancement to their communities. The long and short of it is that public charter schools in Arizona are not at all peripheral. They are certainly very quickly becoming a mainstream part of public education.

As to specific comments about how the State department deals with Federal funds which we appreciate having, it will depend on the State, and I really do believe that it is our responsibility, if it is not being done well—and we have not always done it well, and it was because we were not paying enough attention—truly, there have not yet been strings attached such that we could not get those moneys down to charter schools. Obviously, that is always a concern for us that there would be some sort of stipulations that would prohibit us from using those moneys to the benefit of charter schools in Arizona the way in which we see fit. But I appreciated what the GAO report had to say, and that has been our experience, that the philosophy of the Department at the State level will have everything to do with accessibility. In the charter schools themselves, I do think it matters that the philosophy is one of creation of charter schools rather than prohibiting them, and to that extent, I think it is very important that the U.S. Department continue to be as supportive as we are hearing that they are. That is important to us, and obviously, it makes a big different what the philosophy at that Department is, because that will have everything to do with ultimate rules. And what we would like is the ability to continue a relatively unfettered charter school operation in Arizona.

I very much appreciate, Senator Coats, what you have done in terms of supporting this effort, and anything that we can offer from Arizona's perspective or that I can share with you or your committee or your staff, I would be more than happy to do that, so thank you.

[The prepared statement of Ms. Keegan follows:]

PREPARED STATEMENT OF LISA GRAHAM KEEGAN

Good morning Mr. Chairman, members of the committee. My name is Lisa Graham Keegan. It is a pleasure and an honor to appear before your committee as the superintendent of Public Instruction in Arizona, and as the founding chairman of the Education Leaders Council. The ELC is a national organization of reform-minded state education chiefs from Arizona, Florida, Georgia, Michigan, Pennsylvania and Virginia, as well as state education boards, individual state and local education board members and other officials from 29 states.

I want to share with you today some of the educational innovations we have effected not only in Arizona, but in other ELC states as well, through the creation of charter schools. It is interesting to note that currently approximately 55 percent of the nation's charter schools are located in the six ELC states.

Charter schools in Arizona were created for the express purpose of increasing the acadamic achievement of those students who would choose to attend them and to stimulate reform in traditional public schools. Our belief was that too much of the innovation and the ability to focus on individual student learning styles—not to mention high expectations—have been overwhelmed by regulation. Those regulations in the traditional public school system often emerged from a positive desire to create equal educational opportunities for students. However, in seeking such an outcome through rule rather than professional innovation, we have often suppressed the very creativity which is the essence of excellent teaching. As a result, we have placed more value on uniformity and compliance than on excellence for students.

Understand that those of us who create educational policy have a direct impact on the atmosphere of the classroom. Be it federal legislation, state law, state department policies or local school board regulation—all of our burdens are ultimately borne by the individual school and the classroom teacher.

Arizona's charter school law seeks to answer the question of what happens if most of us get out of the way.

The law in Arizona allows for the creation of charter schools in three ways. First, by application to a local school governing board, which is the method found most often in other states' laws. An application from an existing school or potential school is made to the school board and is either accepted or denied by the local board.

There is no "appeal" process which would force a local board to accept a school, and there shouldn't be. However, existing or potential schools have the option to apply directly to either of two state boards—the State Board of Education or the State Board for Charter Schools.

In all instances, the applicant may be an existing school—public or private—or a completely new school. Governance of the school is through an onsite, self-selected board—and the schools may operate as for-profit or not-for-profit entities. The schools receive per pupil funding which equals 100 percent of the state operational allocation. In addition, they currently receive a small, state-funded capital stipend.

State and local chartering authorities focus on two issues in considering a charter application: The schools academic program and it's ability to demonstrate fiscal prudence. Academic programs in Arizona charter schools must reflect the state's new and rigorous academic standards. Potential charter operators must submit both financial and personal background information which demonstrate their ability to run an economically sound organization.

The law quite obviously invites broad participation and we have not been disappointed. Since the law was enacted in June of 1994, Arizona has seen the development of 163 charter schools educating 27,000 students at 252 sites.

While the philosophies and focus at these schools are widely divergent, a few overall statistics are instructive:

Ethnicity of Student Body

Public CharterSchools		Traditional Public Schools	
Anglo	58%	Anglo	57%
African American	8%	African American	4%
Hispanic	19%	Hispanic	30%
American Indian	14%	American Indian	7%

School Leadership Ethnicity (Principal/Operator)

Public Charter Schools		Traditional Public Schools	
Anglo	75%	Anglo	83%
Minority	25%	Minority	17%

Curriculum/Instructional Focus

Examples of styles utilized by AZ schools:

Science / Math /Technology	Workplace Preparation
Waldorf	Arts
College Prep	Montessori
Back-to-Basics	Direct Instruction
Bilingual / Foreign Language	Core Knowledge

Grades served by Charter Schools

Number of sites per grade:

K-8	9-12	K-12
119	74	59

Number of Charters:

K-8	9-12	K-12
72	46	45

I would like to highlight a few critical issues. Most importantly, the academic achievement of the students in the charter schools has been consistently higher than their previous school performance. I must tell you that I am hard to impress when it comes to claims of academic achievement, and I don't think one claims a victory until we see 3–5 years of sustained improvement.

We do know these students are showing all the right signs, and I look forward to this year's test results. The bottom line is that the original goal of charter schools improving student academic performance is being met.

Secondly, the interest the charter schools has grown consistently every year. We have no cap on the absolute number of schools we can charter, merely a cap on 50 new state charters annually. Also, charter holders may be approved for an unlimited number of schools.

Finally, the effect of charter schools in Arizona reaches beyond the schools themselves. Traditional public schools have had to respond to the presence of charter schools as students leave one system for the other. The largest school district in the state has seen its growth halted as 4,000 students have opted into to local charter schools over the past 3 years. The district took out full-page advertisements promoting the academic excellence offered in their schools last summer, and are currently pursuing a charter arrangement themselves in collaboration with the Edison Project.

This is a very healthy response. The district is now reaching out to parents to attract students, to their schools as well as encouraging their own innovative charter schools. By creating this kind of healthy competition among all public schools, charter schools drive system-wide improvement

Later today, the largest home builder in the state will be joined by Governor Jane Hull, to announce that in several of their newest developments, they will not be relying on traditional district schools, but rather will offer charter schools jointly owned by their homeowners' associations and run by the Ball Foundation, which currently operates a very successful charter school in Arizona.

In summary, charter schools are not a marginal, experimental piece of our educational system in Arizona. They are quickly becoming a new neighborhood school and a model for the student-centered public education of the future.

Senator COATS. Thank you. You are doing a lot. You are offering us a model and a real test lab in terms of how other States ought to go forward. I assume you are getting plenty of inquiries from other States in terms of how you are doing this, because you really seem to be in the forefront of this, and I commend you, number one, for that, for your vision.

Ms. KEEGAN. Yes, we are.

Senator COATS. I am just curious as to what kind of political and other obstacles or barriers you are running into. Many have criticized efforts at competition, whether it be charter schools or vouchers or a whole series of things, as being undermining of the public school system and therefore, both through their efforts with the legislature and in other efforts within the system, have either slowed down or even prohibited these kinds of things.

What kind of political barriers have you or are you running into in terms of your aggressive approach to expand this?

Ms. KEEGAN. We certainly have people in Arizona, legislators or policy makers, who are not as enthused as I am about this effort, but in the main, what happened in Arizona was that we went to some sort of critical mass—I do not know that it is critical mass yet—rather quickly, and there are very few people who do not know somebody who has a child in a charter school where it is a happy experience. We certainly have had press when we have had to close charter schools down; I do not think that that is a travesty, I think that is progress. I think that if a school does not work, you close it down with vigor and happily, but when that happens, we have the predictable onslaught.

But truly, so far, we have been able to sustain that. The heat has gone up just a little bit this year, I will tell you, I think partially because of the very clear effects that it is having on the rest of the system. I consider that more a success than I do a deterrent, but I am always cognizant that it is not safe, necessarily, for charter school operators out there.

Senator COATS. We had the former superintendent of the Milwaukee public schools testify before us last year, and he had spent 25 or 27 years as superintendent. He said he tried everything, every new technique, every new option available, and found that competition was the only one that really spurred positive reforms and changes within the public school system, so he strongly advocated putting competitive forces in place.

You alluded to that in your testimony, and I assume that that is having the same effect, and that that is the reason why you have done it. Can you describe a little bit in terms of what the response of the public system has been in reacting to this competition?

Ms. KEEGAN. It depends on where you go. Some of it is anger, some of it is denial, some of it embraces the change. It depends to whom you are talking. I would say that overall, the response has been that where there are numbers of charter schools in particular, and school districts are losing students to these charter schools, their response has to be to change what they are doing. Some of the school districts themselves are looking to charter school operators such as the Edison Project to come in and help them rethink some of their programs. Some of the response has been to try to go into partnership with the charter schools themselves. Some of it, quite frankly, has been to go to the legislature and try to get them shut down, but so far, that has not been inordinately successful.

So it goes across the board. I think absolutely—and I believe it might have been Dr. Fuller who was talking to you—that what Howard says about competition is absolutely true, and we are unapologetic about it. It is absolutely the right thing that we would compete on behalf of our children and make the best efforts on their behalf. So I have no qualms about that.

Most often, I would say, the response at first is uneasiness, but it is turning fairly productive. It is impossible to ignore, and so when you have a movement that is this quick, you simply cannot say it is not there, because it is there, and I think most of the school districts are coming to grips with that.

Senator COATS. I would hope so. One of the few areas in our lives where competition does not operate has been the school system, the education system. I would hate to think what kind of car we would all be driving if there were only one car company and no competition; I think mediocrity would probably be the order of the day.

One of the points raised was that when charter schools start, they drain off the best teachers. Many of the responses that come back in surveys of charter schools indicate that one of the real differences is motivated teachers, teachers who are free from the bureaucratic straightjacket in terms of what they teach and how they teach and the flexibility—that the best teachers are attracted to the charter schools, leaving the others within the public school system without the same motivation.

Could you comment on that point?

Ms. KEEGAN. I will. I think you heard Senator Lieberman say a number of times, and I am sure you have experienced the same, that when you go into really successful schools, there is an energy that you can feel—it is very hard to write down on paper, but you absolutely know where you are, and that is usually demonstrated in test scores at the end of the year.

It is true that a number of our operators, people who started the schools, in the main were very aggressive educators who were constrained in the traditional system. I think that that is just fine, and we just have to sit here, and that, over time, it will not be acceptable to have a school that continues to drain off professionals and not offer opportunities to children, and that those schools will change. They are changing. We have districts now, alluding to your previous point, that walk door-to-door, knocking literally door-to-door in the inner city, asking parents if they are coming back, and if not, why aren't they coming back, and is there a specific teacher problem we can address, and often there is a specific teacher problem. Just to even have the guts to ask that question is sort of unheard of; that has been territory where people did not want to walk before.

Senator COATS. How flexible are superintendents and principals in public schools in Arizona in terms of either providing incentives for teachers who are performing well, or disincentives for those who are not?

Ms. KEEGAN. Arizona is a right-to-work State, first of all, so more flexible than many. The school district governing boards usually, for some unfathomable reason, in my opinion, do elect to have a master contract by which they hire and fire all of their employees, and they have provisions that apply to all employees, rather than unique contracts, which I think would be preferable. But by law, they have the right to actually do much more than they could in many States.

There are still prohibitions in the traditional public schools that ought not be there about hiring and firing staff, and provisional versus tenured. We do not have tenure; we have continuing employment, Senator Coats. I cannot tell the difference. But those differences obviously are substantive when you are running a charter school, and you can talk to Dr. Jackson about how he handles his personnel, and it is fundamentally different than in the traditional system.

Senator COATS. You have one granting body within the State through which the application is made and the grant is given for the charter schools. Did I hear you correctly that an applicant can bypass the local or the district school system, make his application to this one body——

Ms. KEEGAN. Actually, two State boards, Senator.

Senator COATS [continuing]. Two State boards. But it does by pass the local?

Ms. KEEGAN. Yes, it does.

Senator COATS. And that is part of your State law?

Ms. KEEGAN. Yes.

Senator COATS. So I assume that was a major battle in the legislature.

Ms. KEEGAN. Senator Coats, that was a major battle. It was actually part of an overall reform bill, and actually, that recommendation was made to us by Colorado, which had just passed a charter law and said, you know, were we to do it again, we would not force local school districts to accept a school they do not like; we would have an independent board at the State level. We created two, and it was not very attractive, but it was more attractive than the voucher provision that got stripped, Senator.

Senator COATS. The Hudson report basically said that the reasons for success of the charter schools were the flexibility, the much lower level of bureaucracy, and the educational vision. Do you have anything to add to that in terms of reasons for success of your charter schools, or what you perceive to be reasons for success?

Ms. KEEGAN. I think that, more than anything, actually hits it. These people are missionaries for the most part. These are people who have had a dream about what they are going to do. Their finances are usually on the line personally. We do not have a high per-pupil amount of money that follows students in Arizona; it is actually quite low. So they have dedicated themselves to doing this. I think that in the future, we will see more and more people come in who—in Arizona, you can operate for-profit, not-for-profit; the governance system is whatever you choose it to be—however, I think we will have larger operators come into the State, but to date, most of the schools in Arizona and all over the country are started by someone with a dream, and they are just not willing to let it go.

Senator COATS. I want to thank you very much for your testimony here this morning and for the excellent work that you are doing in Arizona.

We have just been joined by Senator Dodd. Senator, do you want to breathlessly jump in at this point?

Senator DODD. Yes, I will breathlessly jump in, Mr. Chairman, and at an appropriate moment, I will make some general comments.

I want to apologize to you, Ms. Keegan, and to our colleagues, Tim Roemer and my colleague from Connecticut who were here earlier, talking about the bill. But when the appropriate time comes, I will make some remarks.

Thank you so much for being here.

Ms. KEEGAN. Thank you, Senator.

Senator COATS. Thank you very much. Thank you for the excellent work that you are doing.

Ms. KEEGAN. Thank you, Senator.

Senator COATS. Our next panel will take a look at charter schools at the local level. We will hear from Joan Heffernan, director of the Integrated Day Charter School in Norwich, CT; Raymond Jackson, president and chief executive officer of the ATOP Academy in Phoenix, AZ; Tim Sindelar, a senior attorney with the Disability Law Center in Boston; and Eric Rofes, a researcher from the University of California at Berkeley.

We welcome all the witnesses and look forward to their testimony. I will just reiterate that we incorporate your full testimony within our record, and to the extent that you can summarize, it will allow us the opportunity for more discussion and questions.

We will begin with you, Joan, and just go in the order I introduced you. Welcome. I have just been reminded by my staff that our first witness is from Norwich, CT, and it is probably much more appropriate that you introduce her, Senator Dodd, than I do, so I will turn to Senator Dodd and apologize for not recognizing you.

Senator DODD. As a matter of fact, I had an opportunity to chat briefly with Ms. Heffernan outside, Mr. Chairman. The charter school in Norwich, CT has a special significance. Not only is it the largest one in our State, but Norwich, CT is where my family is from; my parents when they came from Ireland on my father's side all settled in Norwich, and my father was raised there as a boy, and my grandfather, and it was where I lived for a long time, so although we all represent States, obviously, certain communities have special significance, and Norwich certainly has a unique significance for me in that regard.

Senator COATS. Just think—if that charter school had been there when you were a child, you could have really amounted to something in life.

Senator DODD. That is true. I might have been a doctor or a lawyer instead of doing this craziness. [Laughter.]

Let me just say to you, Mr. Chairman, that I thank you for holding this hearing, and again my apologies to my own colleague from Connecticut who was here earlier and testified. Senator Lieberman has been involved in these issues, and I have been a supporter since the inception, and they are terrific.

The cameras probably cannot pick up these pictures, but Mr. Chairman, you will appreciate this since you and I have spent a similar amount of time in Congress. The pictures you see here are the old Thermos Company. People think of a "thermos bottle" as being sort of a generic name, but Thermos was the name of a private company, and this is where the original Thermos bottles were made. I remember as a Congressman campaigning in the Thermos bottle factory when the people were still working there, producing Thermos bottles, and now part of it, anyway, is the site of the charter school, and Joan and the team up there have done a tremendous job of renovating this building.

One of the issues in fact that she raised and maybe others will want to raise is that when they were looking for some help to restore this building—a wonderful building structurally—they asked for some urban development block grant assistance, and they were told, no, no, you have to go to the Department of Education for this money. So they went to the Department of Education, and they were told, no, no, you are a charter school, and you do not qualify for Department of Education money. This more of our own State problem, I think, than a question of the Federal Government, but any of you may want to say something—maybe other States are having a similar situation where they are kind of falling between the cracks of being neither an urban issue nor an education issue in the minds of some people. I am glad you raised that to me privately. I do not know if that is going to be in your testimony this morning, Joan, but I think it might be of some help to others around the country.

Again, Mr. Chairman, this is a great program, a terrific facility. They have done a magnificent job. As I said a moment, this is the largest one in our State which Joan Heffernan has been involved in, and I will let her talk about the uniqueness of it, how it works, the diversity of it, the involvement of students and others and what a success it has been. So I look forward to working with you and others in promoting even further the notion of charter schools and their valued participation in the educational system of this country.

With that, I will submit some remarks, and we can move on.

Senator COATS. Thank you.

[The prepared statement of Senator Dodd follows:]

PREPARED STATEMENT OF SENATOR DODD

Mr. Chairman, I appreciate your calling this hearing today for the committee to look closely at one of the success stories in public education today: Charter Schools.

Charter schools are a phenomena of just the last few years. A decade ago, only a few education policy experts would have been able to simply define the term. But today, they are a reality in nearly every State and community. Charter Schools provide parents with important choices in the education of their children. In many communities charter schools offer new and innovative curriculum, others focus on the basics, others offer longer hours or special programs for teenage parents.

Most importantly, charter schools offer accountability. Whether formed by teachers, parents, or a university, charter schools promise results. That's the idea of a charter—the schools gets additional flexibility from State and local regulations and in return has heightened accountability for student achievement.

The Federal Charter Schools program was adopted 5 years ago. It provides substantial funding—nearly $80 million in this fiscal year—to States to support planning and implementation of charter schools. I was a strong supporter of this program when it was first enacted and have watched with interest as it has spurred innovation in States, including my own during the last several years.

This hearing will provide us with an opportunity to examine the progress and promise of charter schools. I believe we can strengthen our Federal program and learn from it to transfer the lessons of regulatory flexibility to more of our public schools. I look forward to today's hearing and particularly to the testimony of two of my State's leaders on this issue: Senator Lieberman who has been a leader on this issue from the very start and Joan Heffernan, from Norwich, CT, who will join us later to discuss one of Connecticut's first charter schools, The Integrated Day Charter School.

Senator COATS. Joan, we look forward to your remarks, and please feel free to tell us what you have learned and how it might be applied.

STATEMENTS OF JOAN HEFFERNAN, DIRECTOR, THE INTEGRATED DAY CHARTER SCHOOL, NORWICH, CT; RAYMOND JACKSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ATOP ACADEMY, PHOENIX, AZ; TIM SINDELAR, ATTORNEY, DISABILITY LAW CENTER, BOSTON, MA; AND ERIC ROFES, RESEARCHER, UNIVERSITY OF CALIFORNIA AT BERKELEY, BERKELEY, CA

Ms. HEFFERNAN. I have learned a great deal. It is the year of my education.

The charter school movement has provided teachers like me with an amazing opportunity and a tremendous responsibility. I am honored to be invited here today and to be involved in the movement to restructure public education. The story of the Integrated Day Charter School is unique in that it began in an existing public school system and was forced to move out. Charter school legislation allowed this program to grow and thrive.

In 1987, I approached the superintendent of schools with the idea of creating an integrated day program within the Norwich public school system. In 1996, 9 years later, the Integrated Day Program was available in only one other school, and although we approached the administration each year, the program was never expanded.

In 1996, Connecticut passed legislation allowing for the creation of charter schools. The teachers, parents and community members were poised and ready for just such an opportunity. Initially, the founders submitted applications for both State and local charters. We worked diligently to convince the Norwich Board of Education to join us on this project, but they refused. If they had been in power to approve or reject our application, we would never have opened our doors.

Instead, all charters in Connecticut are awarded by the State board of education, which saw the merit of our proposal and granted a charter on February 28, 1997. Ours is, as mentioned, the largest charter school in Connecticut, filled to capacity with 175 students, grades kindergarten through 6. There is now a waiting list of 90 students.

The National Education Association and the Connecticut Education Association have endorsed the Integrated Day Charter School, and the school is part of a research-based project supported by the NEA.

The task of establishing a new school is not an easy one. We worked long and hard to find a building that could be brought up to code. We found the abandoned Thermos factory located on the Thames River and entered into a lease agreement. A consortia of banks agreed to give us an $800,000 loan for renovations—as a teacher, these are not numbers that roll easily off my tongue. The city provided $70,000 for demolition of adjacent buildings, and parents created an assembly line on the third floor of the factory to produce furniture for the classrooms. City officials processed permits in record time and, with only 3 months available to us, we constructed and opened a wonderful new school. It is inspiring to see what is possible when a community pulls together. This was nothing short of a miracle.

Our school is unique in many ways. Our classes are mixed age-grouped. the children have the same teacher for 2 years. There are very few large group lessons and many small group and individual lessons. Each student gets a narrative report card—there are no letter grades—and they produce a self-evaluation each term.

Spanish instruction begins in kindergarten at our school.

A large portion of our physical plant is devoted to a media center that is open to all the classrooms throughout the day. Here, the students work with teachers, parents, computers and each other. There is always a buzz as students of various ages work on assignments and personal research projects.

Personal research projects begin for students in kindergarten. Micah Sheppard, a 6th grade friend and student in my class, explained that he wanted to create something he could leave behind so that others would know he had attended the school. Micah and a group of his peers chose a research project on charter schools. They will create a book about the history of their school, and they are producing a video for new students. Students truly feel a sense of ownership of their school.

I am the teacher/director at the school. I am responsible for 22 5th and 6th grade students, and I am also the director. We really have site-based management where teachers have input into staffing and matters of budget. Next year, we are investigating peer review as one facet of teacher evaluation at our school. We have a longer school day opening at 8 and closing at 3. The day has been restructured so there are no interruptions of prime instructional time, and the teachers are released in blocks so that they have time to collaborate.

The students are instilled with a sense of community through the responsive classroom techniques and through kids' consortia, where kids do public service and learning service projects, including a project with Sheltering Arms, a residential facility for senior citizens.

Lunch is served family-style, and for some of the students who do not eat with their families, this is a new experience. When Senator Lieberman visited the school in the fall, he asked how the school was different, and the main thing mentioned was the dining routine. The children set the tables with ceramic plates, they pass bowls of food, serve themselves and clear the table when they are done. Teachers at the school waive their duty-free lunch, and they eat with the children, sit at round tables and have conversation with the children.

It took 1 minute to include family-style lunch in the charter and months to figure out exactly how to pull it off, but it was a worthwhile effort.

Parent involvement is important at the Integrated Day School, not only in the ways that are typical, where parents volunteer and work with their children at home, but the parents are also part of our governance structure. The board of governors is comprised of three teachers, three community members, and three parents. The school council includes both parents and teachers. As of March 17, 830 volunteers have come to work at the school.

We also have a close tie with Connecticut College. We have student teachers and student visitors to our school, but we also send students to the college. Last month, a group of six 5th and 6th grade students went to Dr. James' class to explain charter schools and the Integrated Day Program. They exhibit tremendous public speaking skills and sophistication beyond their years.

Needless to say, we are very proud of our accomplishments, but the school is by no means a finished product. We have minimal play space. The students have recess in what we call "the coliseum," a partially demolished building with no roof, looking more like a jail yard than a Roman monument. We have no funds to increase our before- and after-school program. Our dream of providing distance learning for advanced students has not yet come to fruition for lack of funds. While we have community support, it is a very poor community.

The funds provided for the start-up of charter schools are not sufficient. The per-pupil expenditure allowed for charter schools in Connecticut is far below the average for the State. Funds for capital improvements, lease agreements, and bringing buildings up to code are paid for directly from the start-up funds and from the per-pupil expenditure. For noncharter public schools in Connecticut, bonds are provided by the State Department of Education to pay for these costs. Such bonds are not available to charter schools in our State. Other grants and bonds offered specifically excluded charter schools. It is necessary that charter schools have access to Federal dollars and be made aware of the funds that are available.

It is agreed that the number of charter schools should be increased. However, the objective is to provide a variety of quality schools. It is disheartening to read about some charter schools that are established and maintained in some States by individuals who do not put the interests of the children in the forefront.

I am concerned by that, by allowing for "automatic waivers" of State and local education laws and regulations, that charter schools being created may not be of the same high quality that they are in Connecticut. Perhaps focus should be placed on the existing regulations. Eliminating unnecessary regulations and laws would benefit all public schools and do away with the need to provide automatic waivers. Then, as in Connecticut, charter schools could apply for waivers as they see fit.

It is understood that the number of charter schools should be increased, however, this should be done responsibly. Without sufficient funds, the quest for quality schools of choice will fall short.

I sincerely thank all involved for giving me and educators like me the opportunity to fulfill a dream. I believe that the Integrated Day Charter School provides a nurturing environment in which all students can learn and perform to the best of their ability.

I know, however, that there is more than one way to achieve this goal. Allowing for choice of public schools provides opportunities for teachers, parents and students. Please strive to open schools of high quality that will be held accountable. Provide all of us with the resources we need to do the best job possible. America's children deserve no less.

Thank you.

Senator COATS. Joan, thank you very much for your statement.

[The prepared statement of Ms. Heffernan follows:]

PREPARED STATEMENT OF JOAN HEFFERNAN

The charter school movement has provided teachers, like me, with an amazing opportunity and an awesome responsibility. I am honored to be invited here today and to be involved in the movement to restructure public education. The story of the Integrated Day Charter School is unique, in that it began in the existing public school system and was forced to move out. Charter school legislation allowed this program to grow and thrive.

In 1987 I approached the superintendent of schools with the idea of creating an integrated day program within the Norwich Public School system. After a year of investigation Joyce Werden and I began a program at Buckingham School, one of ten elementary schools in Norwich. A third class was added the following year. The concept was to expand, offering choice in all schools. In 1996, nine years later, the integrated day program was available in only one other school. Although we approached the administration each year, did presentations at PTA meetings and produced data to prove there was interest in the community, the program was not expanded.

In 1996 Connecticut passed legislation allowing for the creation of charter schools. The teachers, parents and community members were poised and ready for just such an opportunity. Initially the founders submitted applications for both state and local charters. We worked diligently to convince the Norwich Board of Education to join us on this project. They refused. If they had the power to approve or reject our application we would never have opened our doors. Instead all charters in Connecticut are awarded by the State Board of Education, which saw the merit of our proposal and granted a charter on February 28, 1997. Ours is the largest charter school in Connecticut filled to capacity with 175 students, reflecting the demographics of the city. There is now a waiting list of ninety students. The National Education Association and the Connecticut Education Association have endorsed I.D.C.S. and the school is part of a research-based project supported by the NEA.

The task of establishing a new school is not an easy one. We worked long and hard to find a building that could be brought up to code. We found the abandoned Thermos Factory located on the Thames River and entered into a lease agreement. A consortia of banks agreed to give us an $800,000 loan for renovations, the city provided $70,000 for demolition of adjacent structures, parents created an assembly line in the third floor to build furniture for the classrooms, city officials processed permits in record time and with only three months available to us, we constructed and opened a wonderful new school. It is inspiring to see what is possible when a community pulls together. It is nothing short of a miracle.

Our school is unique in many ways. A large portion of the physical space is devoted to a media center that is open to all classrooms throughout the day. Here students work with teachers, parents, computers and each other. There is always a buzz as students of various ages work on assignments and personal research projects. Children, beginning in kindergarten, have input into their education, choosing topics that are of interest to them, studying that topic and then acting as the instructor, presenting the material learned to the class as a culminating activity. The presentations include all curricular areas and are video taped for parents and portfolios. Micah Sheppard, a sixth grade friend and student, explained he wanted to create something he could leave behind that would let others know he had attended the school. Micah and a group of his peers chose to research charter schools this term. They will create a book about the history of our school and a video for new students. The students truly feel a sense of ownership of the school.

Our school is different in other ways. We have a longer school day, opening at 8:00 and dismissing at 3:00 PM. The school day has been restructured so there are no interruptions during prime instructional time. Art and enrichment classes are scheduled in the afternoon. Teachers are released in blocks so they can collaborate.

The students are instilled with a sense of community in their classrooms and in the school through Responsive Classroom techniques. They are all involved in service learning projects, including a partnership with The Sheltering Arms, a residential facility for senior citizens.

Lunch is served family style. For some children who do not eat with their families, this is a new experience. When Senator Lieberman visited the school in the fall and asked "How is this school different?" the first thing mentioned was the dining routine. The children set the tables with ceramic plates, pass bowls of food, serve themselves and clear the table when they are done. Teachers at the school waived their duty free lunch and sit at round tables with students, having pleasant conversation. Parents come in daily to help serve and eat with their children. Doctoral students and researchers from UCLA have come to observe and have been quickly recruited to help out at lunchtime. It took one minute to include family style lunch in the charter, and months to figure out exactly how we would carry it out. It has been well worth the effort.

Parent involvement is an important part of the Integrated Day Program. Those parents who are available work in the classrooms, the media center or the office. Some teach arts and enrichment. Others host research groups at their homes on the weekends, drive students to the library after school hours, make phone calls, prepare classroom materials and support the school from their homes. Parents are also part of our governance structure. The Board of Governors is comprised of three teachers, three parents and three community members. The School Council includes parents and teachers. As of March 17, 830 volunteers have come to work at the school.

We also have a close tie with Connecticut College. Students from the college come to our school as student teachers and to observe. Our students visit the college and last month a group of six fifth and sixth grade students attended Dr. James' class to explain charter schools and the Integrated Day Program. They exhibit public speaking skills and sophistication beyond their years.

Needless to say, we are very proud of our accomplishments, but the school is by no means a finished product. We have minimal play space. The students have recess in what we call the coliseum, a partially demolished building with no roof, looking more like a jail yard than a Roman monument. We have no funds to increase our before and after school program. Our dream of providing distance learning to advanced students has not yet come to fruition due to lack of funds. While we have community support, it is a poor community.

The funds provided for the start up of charter schools are not sufficient. Ninety percent of charter schools begin with fewer grades and students than they ultimately plan to house. This is frequently due to lack of funding. Students and grade levels are added in increments that can be supported by the budget. The per pupil expenditure allowed for charter schools in Connecticut is far below average for the state. Funds for capital improvements, lease agreements and bringing buildings up to code are paid for directly from the start up funds provided and the per pupil expenditure. For non-charter public schools in Connecticut, bonds provided by the State Department of Education pay for these costs. Such bonds are not made available to charter schools in our state. Other grants and bonds offered specifically exclude charter schools. It is necessary that charter schools have access to federal dollars and be made aware of funds that are available.

It is agreed that the number of charter schools should be increased, however, the objective is to provide a variety of quality schools. In Connecticut the application process is rigorous. The founders of our school spent a great deal of time articulating the mission and vision of the school. This was a worthwhile task, for, while we could not foresee all the pitfalls, we were forced to articulate precisely how we planned to bring our dream to reality. I appreciate Connecticut's supervision of charter schools. I want to be respected by my peers in the educational community. It is our hope that charter schools will provide new ideas that can be replicated in other public schools, once they are tried and proven effective.

In Connecticut representatives from the newly formed charter schools have formed an alliance and meet regularly. The Connecticut State Department of Education provides regular workshops to support the schools and educate the directors. The educators involved are passionate, responsible individuals. I am proud to be involved with this group. It is disheartening to read about some charter schools that are established and maintained in other states by individuals who do not put the interests of the children at the forefront. I am concerned that by allowing for "automatic waivers" of state and local education laws and regulations the charter schools being created may not be of the high quality that they are in Connecticut. Perhaps focus should be placed on the existing regulations. Eliminating unnecessary regulations and laws would benefit all public schools and do away with the need to provide automatic waivers. Then, as in Connecticut, charter schools could apply for waivers as they see the need.

It is understood that the number of charter schools should be increased, however, this should be done responsibly. Without sufficient funds, the quest for quality schools of choice will fall short. I sincerely thank all involved for giving me, and educators like me, the opportunity to fulfill a dream. I believe that the Integrated Day Charter School provides a nurturing environment in which all students can learn and perform to the best of their ability. I know, however, that there is more than one way to achieve this goal. Allowing for choice of the public schools provides opportunities for teachers, parents and students. Please strive to open schools of high quality that will be held accountable. Provide all of us with the resources we need to do the best job possible.

Senator COATS. Dr. Jackson.

Mr. JACKSON. Thank you, Mr. Chairman.

It is a pleasure to be here this morning to talk about charter schools. It seems nowadays that is all I am doing is traveling around the country talking about charter schools. But my favorite charter school is ATOP Academy College Preparatory, which is my charter school.

I am happy to say thanks to our State Superintendent Lisa Graham Keegan, who provided me and many others an opportunity to carry out our vision in the charter school movement, and I am happy to say that Arizona has the most progressive charter school legislation in the Nation.

Let me just take a moment to talk about that and the fact that right now in this country, we are in the most exciting time in educational history that I can remember. The charter school movement is the most progressive movement since the GI bill, and you have already heard numbers of how rapidly it has grown since Arizona came into the movement 4 years ago.

What is ATOP Academy? ATOP Academy is a college preparatory school, and we accept all children. I hear people say all the time that charter schools only take the best. Well, that is not the case at ATOP Academy. Seventy-two percent of our children are on free or reduced lunch. Most of the children come to us from high-risk areas. As a matter of fact, one of our campuses in Phoenix is in the most densely populated, drug-infested area in the city of Phoenix.

The vision of our school is to be an innovative model of superior education that produces academically prepared and socially responsible citizens. The mission of our school is to educate children using creative strategies and nurturing them in an environment to produce growth and development.

Another thing that charter schools are about is trying something unique and different. There is a product that all the students at our school use called a "learner's toolbox." Our students are probably the only students in America who, if you ask them why they come to school, will tell you they come to school to learn how to learn. And when you ask them why they come to school to learn how to learn, they will say: I come to school to learn how to study. And when you ask them what is studying, they will tell you that studying is a concentrated effort to understand a body of knowledge or information. What is a body of knowledge? Math, English, science, social studies, and so on. What are sources of information? A dictionary, a thesaurus, an encyclopedia. When the teacher asks them what do you need in order to learn how to learn, they pick up their learner's toolbox. Then, they stand and the teacher asks them, are you ready to learn, and they say, yes, we are. You may be seated.

Our students wear uniforms. Our students come from all over the valley. We have students who come from Gilbert, which we call far East of the valley. We have students who come from as far west as 81st Avenue. They come from all over, and their parents bring them, because they are dissatisfied with what is going on in the traditional public schools.

You might ask how is ATOP different from traditional schools. Basically, we teach all of our students to come to school organized, and they have what we call a student organizer. All of our students understand that they must have notebooks. When I was a principal in one of the roughest areas in South Phoenix, students brought everything but what they were supposed to bring to school—gang paraphernalia, basketballs, ghetto blasters—everything but notebooks.

We also have a learner's manual where we teach our students time management, personal management, teach them how to study, how to set up study areas, and how to work cooperatively in study groups. We teach them how to use the dictionary and thesaurus. We also teach our students something that I discovered when I was a principal, which is how to hold a pencil the proper way.

We teach them how to build up their vocabulary using the learner's word bank, so that when they do not understand a word, they understand the importance of writing that word down and looking it up in the dictionary, writing the definition, writing a sentence, looking at the thesaurus and finding other means of that word. Once they master the word, they can place it in the alphabetical index file, which means they have mastered it and, just like money in the bank, the more you use it, the more interest you get on it. All of our students have these.

We also just produced our first student yearbook, and I would like to present this to the committee so you can take a look at what our students are doing and see all the beautiful, smiling faces of students, wearing their shirts and their ties and their uniforms. These students are happy.

I would also like to say that our first school site is in the old Arizona Teachers Union Building. People come there, and they get excited and ask what was this building before, and I smile and tell them it used to be the Arizona Teachers Union Building.

Speaking of that, you asked the State superintendent about others who are getting into the movement. One of our largest school districts in Arizona, the Mesa School Districts, has now opted to start a charter school program. The Arizona Teachers Union is now starting a charter school program. Everyone is starting charter school programs if they have any sense.

What are some of the things that make us different? Again, all of our students have toolboxes; all of our students know why they are in school. We also get the question about certified versus noncertified teachers. Well, I debate one of our favorite anti-charter school legislators in Arizona on this issue all the time, and let me say that there is no direct correlation between a person being certified to teach and produce a better education product. All certification really means is that you have studied a particular educational philosophy, and you have been trained to teach that particular methodology.

Take a look at the statistics. Ninety-two-plus percent of all teachers in public schools in America are certified. Now let us look at private independent school teachers. The majority of those teachers, 90-plus percent, are noncertified. Let us look at how noncertified charter students outperform certified charter students on State and national exams.

Let us move it another step further to home teaching. We have approximately 5 million home-taught children in America. We know that the majority of those parents certainly are not certified teachers, yet those home-taught children outperform certified taught students on State and national exams. And finally, 63 percent of all certified teachers have their children in private independent schools nationwide.

At our school, we used both certified and noncertified, and I have seen the difference, because teaching starts from the heart, and you must care about children. Children do not care until they know how much you care. I have worked which children who were gang members. I have worked with children who were disruptive, and I have worked with all kinds of children all over this country, and when children know that you care about them, they care about you, and they will respond accordingly.

We have a very active parent involvement group. They have their own office adjacent to my office. Our parents make up six of the seven board members on our school board. Our parents have an active voice; they are involved. If you come to our school, and you ask our teachers what business they are in, they will tell you we are in the business of sales. What do we sell? We sell quality education. To whom do we sell it? We sell it to our customers, the parents, and to the consumers, the students.

A number of our staff have children who attend our school. My son is a 7th-grader. I believe in it, and I tell my teachers if you do not believe in what we are teaching here, then you should leave.

Our student-teacher ratio is about one to 22. All of our students wear uniforms. Our parents are treated with dignity and respect.

Our teachers have to do a customer satisfaction call once a month. They call parents to find out if they have any concerns or problems about what is going on in our school.

We teach all of our students test-taking skills. All of our students have homework Monday through Thursday. They do monthly book reports. They must participate in our annual science fair, which we had just this week. We have a math fair, and we also have a research paper that all of our students must do, starring in kindergarten, when we implant the idea of a research paper in their minds. We have an oratory contacts, spelling bee, and poetry contests.

Each morning, all of our students assemble for a daily assembly to talk about the school motto, to talk about the 10 laws of success. We have a standard procedure of things we do. Our students walk around the school in a very orderly fashion. If you come to our school, our students will open the door for you, they will greet you, they will shake your hand and look you in the eye when they speak to you. And I remind you—these are students 70 percent of whom are on reduced lunch or free lunch.

The administration challenges that I experience, we do not have time to talk about. But I will tell you that with the challenges we experience on a day-to-day basis of trying to operate the school are not on the basis of children's behavior or the teachers—our children love the school, our parents love the school—are the challenges of trying to provide the kind of quality education I know we can provide to children. We do not get adequate funding at the Federal level. With the special education requirements this year, we have had to put out money for special ed, and we have not received one time yet. You have to be a participant in the system for a year before you receive any money. Then, the money that you receive does not equate to the money you have expended.

I can say this. In terms of all the charter school owners, we are working very hard and very diligently to be accountable. We know that if we are not accountable, parents will leave, and students will take their dollars with them.

I would like to conclude by reading something by Charles Osgood entitled, "A Pretty Good School is not Good Enough." He says: "There once was a pretty good student who sat in a pretty good class and was taught by a pretty good teacher who always let pretty good pass. He was not terrific at reading, he was not a whizbang at math, but for him, education was leading straight down a pretty good path. He did not find school to exciting, but he wanted to do pretty well. And he did have some trouble with writing, and nobody had taught him to spell. When doing arithmetic problems, pretty good was regarded as fine. Five plus five need not always add up to be 10; a pretty good answer was nine. The pretty good class that he sat in was part of a pretty good school, and the student was not the exception; on the contrary, he was the rule. The pretty good school that he went to was there in a pretty good town, and nobody there seemed to notice he could not tell a verb from a noun."

"The pretty good student in fact was part of a pretty good mob, and the first time he knew what he lacked was when he looked for a pretty good job. It was then, when he saw the position, he discovered that life could be tough, and he soon had a sneaking suspicion that pretty good might not be good enough."

"The pretty good town in our story was part of a pretty good State which had pretty good aspirations and prayed for a pretty good fate. There once was a pretty good Nation, pretty proud of the greatness it had, which learned much too late if you want to be great, pretty good is in fact pretty bad."

Thank you.

Senator COATS. Dr. Jackson, thank you for an inspiring presentation. I wish we could run you out back through the xerox machine and duplicate about 10,000 of you and spread you around the country. You bring a very inspired vision about how to educate young people. Thank you.

Mr. JACKSON. Thank you.

Senator Jackson. The same goes for you, Ms. Heffernan. This is terrific to hear this inspired testimony about how you educate children first from the heart.

[The prepared statement of Mr. Jackson follows:]

PREPARED STATEMENT OF RAYMOND JACKSON

I would like to thank you and the committee for inviting me to testify today on your theme of an "Overview of Charter Schools." It is, indeed, an honor and a pleasure to share my views on charter schools and my charter school—ATOP Academy. In your letter of invitation, you asked that my testimony focus on the unique perspective of operating a charter school from an academic and an administrative perspective.

Introduction

The Charter School Movement is the fastest form of education reform since the G.I. Bill after World War II. Arizona was the fourth state to establish charter school legislation in 1994, which is the most progressive in the nation. There are now 29 states, including the District of Columbia, Puerto Rico, Alberta, Canada and even Australia, that have charter school laws; and as was recently publicized in newspapers throughout the nation, the National Education Association is establishing charter schools. This is an exciting and challenging time to be in the Charter School Movement. The 1990's is the beginning of the decentralization of traditional public education as we know it today.

What is ATOP Academy?

ATOP Academy College Preparatory is a public charter school that willfully accepts all children.

Vision

To be an innovative model of superior education that produces academically prepared and socially responsible citizens.

Mission

To use educational strategies that create a dignified, respectful, and nurturing learning environment that is conducive to the positive growth and development of our students.

Philosophy

ATOP Academy was founded on the belief that all children can learn and operating achieve academic success, once they are taught the how to of learning in a systematic manner.

How is ATOP Academy different from traditional public schools?

ATOP Academy is different from traditional public schools in the following ways:

1. The **Learner's Tool Box** is used to teach all students a systematic approach for learning "how to" learn by using a standard set of learning tools.
2. Each child has his/her learning abilities diagnosed to determine their *independent, instructional, and frustration* levels of learning.
3. All students from grades K–8th know why they attend school.
4. All teachers must have a degree but they do not have to be certified to teach.
5. Parents have their own office at each campus and parents make up six of the seven members on our Board of Directors.
6. A number of our staff's children attend the academy, including my son.
7. The teacher to student ratio is 1 to 22.
8. All students wear uniforms.

9. Parents are treated as customers with dignity and respect.
10. All students learn test-taking strategies.
11. Children are nurtured and cared for in a sincere and structured manner.
12. All students have homework Monday through Thursday; monthly book reports; must participate in the annual science fair; math fair; research paper project; oratory, spelling bee, and poetry contest.
13. Teachers must make a customer (parent) satisfaction call at least once during a nine-week quarter.
14. Each morning our students have an assembly to orally recite the school motto and the Ten Laws of Success.

Administrative Challenges of ATOP Academy

The administrative challenges of a charter school is the same as running a small business. I deal with staffing situations, budget management, federal and state mandates, parent concerns, legal issues and the media. I put my personal assets at risk because I sign my signature for services, supplies, and equipment to provide for the educational needs of my students. There was a time when I was fearful of these daily experiences, but now, I see them as another great challenge in building the educational vision of ATOP Academy.

Special Education is one that comes to mind immediately. We are required by the Federal Government to provide professional assessments for special needs students, staff to teach them, and special instructional materials. We are not reimbursed fully for such expenditures which causes our limited budget to be squeezed even tighter and it takes money away from other students who do not receive these services. The total dollars appropriated for students, in most cases, do not follow the child to charter schools. In Arizona, for example, our transportation allocation is extremely limited, and the capital improvement funds do not follow the child.

Although ATOP Academy and many other charter school owners deal with the above type fiscal challenges and others daily, we are making a difference in the lives of children and their parents. We are holding ourselves accountable and we are hanging in there, but we need to have federal legislation that stipulates that all of the dollars follow the child. Then we can do an even better job than we are doing now.

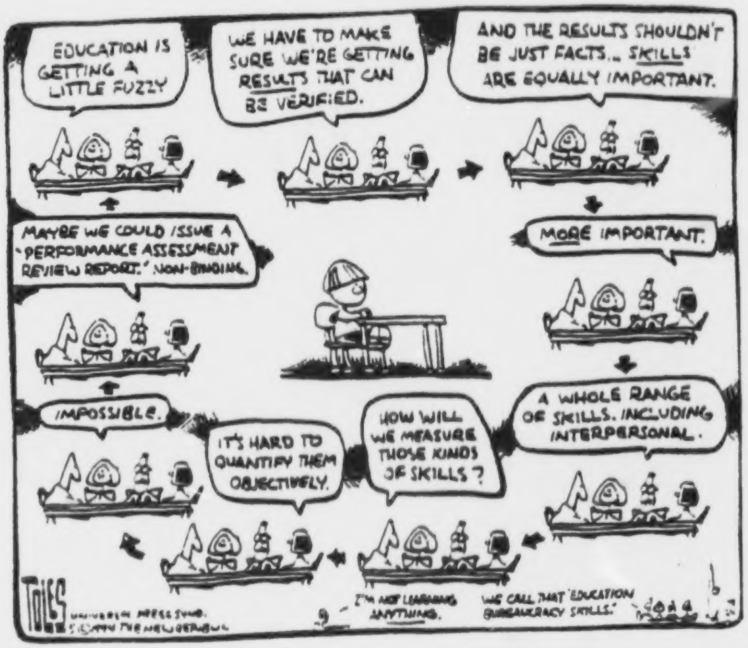
Conclusion

"A Pretty Good School" by Charles Osgood

Quote by Ron Edmonds

Thank you Senator Jeffords and the members of your committee for providing me this opportunity to talk about ATOP Academy and the needs of charter schools.

Attachments


EDUCATION IS GETTING A LITTLE FUZZY
WE HAVE TO MAKE SURE WE'RE GETTING RESULTS THAT CAN BE VERIFIED.
AND THE RESULTS SHOULDN'T BE JUST FACTS... SKILLS ARE EQUALLY IMPORTANT.
MORE IMPORTANT.
A WHOLE RANGE OF SKILLS, INCLUDING INTERPERSONAL.
HOW WILL WE MEASURE THOSE KINDS OF SKILLS?
IT'S HARD TO QUANTIFY THEM OBJECTIVELY.
IMPOSSIBLE.
MAYBE WE COULD ISSUE A 'PERFORMANCE ASSESSMENT REVIEW REPORT.' NON-BINDING.
I'M NOT LEARNING ANYTHING.
WE CALL THAT 'EDUCATION BUREAUCRACY SKILLS.'
TOLES
UNIVERSAL PRESS SYND.
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> *In most schools, the language of the classroom is primarily a language about the process of teaching something: it is not itself a language of learning. We came to call this language "talkinbout," because we saw so many people talking about reading but not actually reading, talking about writing but not actually writing, and so on. "Talkinbout" is an abstract language, an adult reconstruction after the fact of an experience that the student is not allowed to have firsthand. It is a rumor about learning.*
>
> Rexford G. Brown (1991b, p. 234)

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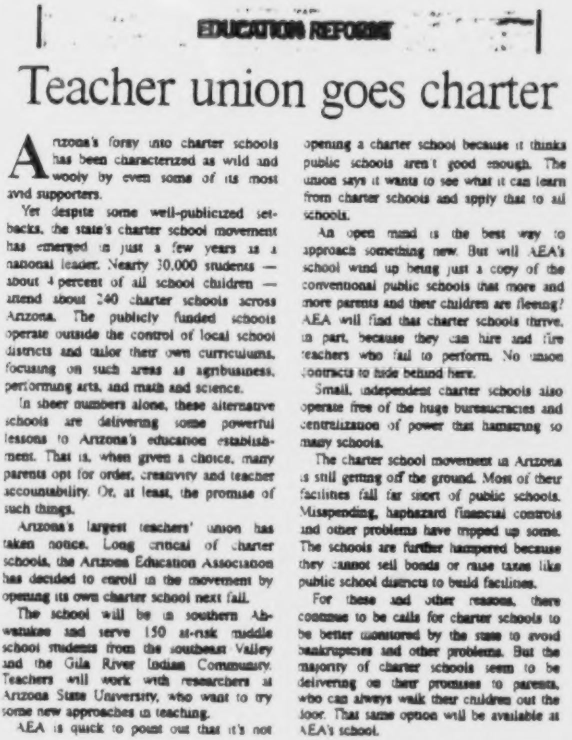

EDUCATION REFORM

Teacher union goes charter

Arizona's foray into charter schools has been characterized as wild and wooly by even some of its most avid supporters.

Yet despite some well-publicized setbacks, the state's charter school movement has emerged in just a few years as a national leader. Nearly 30,000 students — about 4 percent of all school children — attend about 240 charter schools across Arizona. The publicly funded schools operate outside the control of local school districts and tailor their own curriculums, focusing on such areas as agribusiness, performing arts, and math and science.

In sheer numbers alone, these alternative schools are delivering some powerful lessons to Arizona's education establishment. That is, when given a choice, many parents opt for order, creativity and teacher accountability. Or, at least, the promise of such things.

Arizona's largest teachers' union has taken notice. Long critical of charter schools, the Arizona Education Association has decided to enroll in the movement by opening its own charter school next fall.

The school will be in southern Ahwatukee and serve 150 at-risk middle school students from the southeast Valley and the Gila River Indian Community. Teachers will work with researchers at Arizona State University, who want to try some new approaches in teaching.

AEA is quick to point out that it's not opening a charter school because it thinks public schools aren't good enough. The union says it wants to see what it can learn from charter schools and apply that to all schools.

An open mind is the best way to approach something new. But will AEA's school wind up being just a copy of the conventional public schools that more and more parents and their children are fleeing? AEA will find that charter schools thrive, in part, because they can hire and fire teachers who fail to perform. No union contracts to hide behind here.

Small, independent charter schools also operate free of the huge bureaucracies and centralization of power that hamstring so many schools.

The charter school movement in Arizona is still getting off the ground. Most of their facilities fall far short of public schools. Misspending, haphazard financial controls and other problems have tripped up some. The schools are further hampered because they cannot sell bonds or raise taxes like public school districts to build facilities.

For these and other reasons, there continue to be calls for charter schools to be better monitored by the state to avoid bankruptcies and other problems. But the majority of charter schools seem to be delivering on their promises to parents, who can always walk their children out the door. That same option will be available at AEA's school.

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Mesa district opts to convert program into charter school

By Kelly Pearce
The Arizona Republic

MESA — A school district that has called charter schools "the competition" is welcoming one into its midst.

Along with Sedona and Quartzsite, Mesa Public Schools will sponsor and operate a charter school. Other districts, including Window Rock, have sponsored schools but leave running the houses of learning to others.

Mesa plans to convert its Sunridge Montessori program, for kindergartners through fourth-graders, into a charter school. A second charter Montessori school could be established in the future, most likely at Marilyn Thistle Wilson Elementary School. The school opens in the fall.

Montessori programs provide a different spin on education, encouraging students to be independent and learn at their own speed.

On Tuesday night, the Mesa School Board stamped its approval on the Montessori charter school.

Before voting, however, board members wanted to know the benefits of turning Mesa's successful program — there are about 150 Montessori students in Mesa and plenty of parents interested in signing up their children — into a charter school.

According to district officials, it is easier to hire educators for a charter school.

The six Sunridge Montessori teachers have to be trained in Montessori teaching and certified by the Department of Education.

As a charter school, teachers won't need to obtain the department's certification.

— *Please see* **DISTRICT**, *Page EV5*

District entering charter schools business

— **DISTRICT**, *from Page EV1*

"What this will do is provide us the option of looking at a wider range of staff," said Debra Duvall, assistant superintendent for curriculum and instruction. "It allows us to hire teachers who have the certification and training that is most necessary."

That includes a strong Montessori background, including two years of intensive study, but not necessarily certification to teach the program.

Although Mesa officials have been leery of charter schools since they transformed education in Arizona four years ago, deciding to sponsor and operate such a school is in keeping with the district's motto: Provide as many entrees on the school-choice menu as possible.

Besides the traditional neighborhood schools, Mesa is home to back-to-basics programs and alternatives for high school students.

Mesa also has loaned teachers and helped plan curriculum at Mesa Arts Academy, a charter school.

In 1994, the district was one of a handful in Arizona to add Montessori, a traditionally costly school choice usually only offered in private schools.

Even the state's superintendent of public instruction is talking about this increasingly popular approach to learning.

"Montessori parents are gonzo on Montessori education," state School Superintendent Lisa Graham Keegan said during a Wednesday address before the Arizona Chamber of Commerce. "It's nice to have that choice in the public realm."

Kelly Pearce can be reached at 444-7981 or at [illegible] via e-mail.

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Can You See The Vision?

ATOP Academy's vision is to be an innovative model of superior education that produces academically prepared and socially responsible citizens.

◆◆◆

The future of Education looks BRIGHT!

ATOP ACADEMY
East Valley Campus
1515 S. Indian Bend Rd
Tempe, AZ 85281
(602) 774-9881

Mr. Melville McKay, Headmaster

PARENT CALLING FORM

* * * *

1) How have the first few days of ATOP been for you and your child?

My husband and I have been very pleased with the progress our daughter is making. She is learning a great deal and is excited about it.

2) Do you have any questions or concerns? If so what are they?

No, not at this time.

3) Is there anything that we can do to better assist you and your child?

Providing transportation would be extremely helpful

4) Do you know of any other parents who might be interested in having their child (ren) attend ATOP? If so, could you contact them or give us their number so that we could?

No we don't.

5) Do you have any ideas as to how we could get more parents to enroll their children at ATOP? If so, what are they?

No ideas at this time.

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ATOP ACADEMY
East Valley Campus
1515 S. Indian Bend Rd
Tempe, AZ 85281
(602) 774-9881

Made Contact
9/2/97

Mr. Melville McKay, Headmaster

PARENT CALLING FORM

* * * *

1) How have the first few days of ATOP been for you and your child?

She likes the moving from class to class

2) Do you have any questions or concerns? If so what are they?

Homework She wants to help.

3) Is there anything that we can do to better assist you and your child?

Quick Support + Discipline

4) Do you know of any other parents who might be interested in having their child (ren) attend ATOP? If so, could you contact them or give us their number so that we could?

allow Josh to doodle It helps

5) Do you have any ideas as to how we could get more parents to enroll their children at ATOP? If so, what are they?

Immediate Solutions.

Josh pushes the boundaries
I appreciate that in
this is what works
I do not tolerate
tolerate

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[illegible]

[illegible]

Emailing

Irene [illegible]

visited Mrs. [illegible]

5th grade Tuesday

afternoon – she was

very pleased

ATOP ACADEMY
East Valley Campus
1515 S. Indian Bend Rd
Tempe, AZ 85281
(602) 774-9881

Mr. Melville McKay, Headmaster

PARENT CALLING FORM

• • • •

1) How have the first few days of ATOP been for you and your child?

Good – for Terry & his brothers

2) Do you have any questions or concerns? If so what are they?

How can I help with anything? I am a working mom just call if you need anything.

3) Is there anything that we can do to better assist you and your child?

No I'll keep in touch

4) Do you know of any other parents who might be interested in having their child (ren) attend ATOP? If so, could you contact them or give us their number so that we could?

I will keep spreading the word

5) Do you have any ideas as to how we could get more parents to enroll their children at ATOP? If so, what are they?

Very pleased with ATOP – Lopez. [illegible] Terry & his brothers [illegible] public school [illegible] if ATOP is having a problem

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ATOP ACADEMY
East Valley Campus
1515 S. Indian Bend Rd
Tempe, AZ 85281
(602) 774-9881

Mr. Melville McKay, Headmaster

PARENT CALLING FORM

* * * *

1) How have the first few days of ATOP been for you and your child?

Wonderful - we are very pleased. Michael likes his new school. I am very encouraged by the emphasis on building self-esteem

2) Do you have any questions or concerns? If so what are they?

none at this time.

3) Is there anything that we can do to better assist you and your child?

Not at this time

4) Do you know of any other parents who might be interested in having their child (ren) attend ATOP? If so, could you contact them or give us their number so that we could?

I have contacted a number of parents and also have spoke with others in the education field and all share our excitement about finally having an educational option.

5) Do you have any ideas as to how we could get more parents to enroll their children at ATOP? If so, what are they?

On an individual basis, parent to parent recruitment is most successful but it is limited. Would it be possible to set up some way for parents to reach a larger group of parents such as presenting at some type of community functions that are family value based?

Alvin Toffler, author of Future Shock

"The illerate of the future will not be the person who cannot read.

It will be the person who does not know how to learn."

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Senator **COATS**. Mr. Sindelar, thank you for appearing before us this morning.

Mr. **SINDELAR**. Thank you, Senator Coats, Senator Dodd, Senator Wellstone. It is a real pleasure to be here—it is an honor to be here before you today, and it is an honor to sit at this table with teachers and educators like Ms. Heffernan and Dr. Jackson. I wish that my children could have them as teachers. I find their remarks to be particularly inspiring, and I think it is great to hear about the things that are happening in charter schools throughout this country.

But I am the fly in the ointment here. I am here to tell you that all is not great with the charter school movement, particularly as it relates to our children with disabilities, who are the children with the most important needs as far as I can see; they are our children who are most fragile and most in need of direct attention.

I am an attorney with the Disability Law Center in Boston. The Disability Law Center is a protection and advocacy agency formed under the Developmental Disabilities Act. As such, we provide representation in a wide range of matters to individuals with disabilities, but particularly in special education. The program has about 20 years of representing parents and families in special education matters in Boston and throughout the Commonwealth, and we are proud of our record in that area.

In the course of my work, I have had the pleasure to represent a number of families in matters involving charter schools, and that representation has led me to study the problem a little bit further and to look at what is happening with charter schools in Massachusetts and then to take a look at some of the data from the rest of the Nation. I would like to share that information with you today.

One of my chief concerns is that children with disabilities are not being served in charter schools to the same extent that their non-disabled peers are. In Massachusetts, we have a State charter law that provides for a lottery when there are more applications for admission to a charter school than there are vacancy, which has been the case with all of the 24 charter schools, I believe, at this time. The lottery is supposed to be neutral. the lottery is supposed to operate independently, without any type of prescreening. But if we look at the results of the admission process, we see that children with disabilities for some reason are not getting into charter schools, or at least are not staying there once they get in.

In my testimony, I present to you data from 3 different years in Massachusetts of information that is reported to the State department of education. Each year on October 1st, every school, including the charter schools, are required to report to the State with regard to their children enrolled in special education programs. That information constitutes part of the child count process, which in turn triggers our IDEA funding.

In 1995, the first year of operation of the charter schools, the record of admissions of students with disabilities as abysmal. More than half the charter schools reported that they had one child with special education or no children with special education. The numbers were extremely small.

Overall, charter schools are serving about 7.2 percent of their children in special education programs as opposed to about 17 percent in the Commonwealth at that time. The numbers have not gotten any better. In 1996, while there was some improvement, out of all the charter schools reporting, only two charter schools reported anywhere near the proportion of special education students in their communities as the public schools in those communities, and many of them, at least half, were reporting vast differences. For example, let us look at the charter school on the Cape. Only 4.3 percent of their children were identified as children with special education. Orleans, the city in which it is located, represents 17 percent of its children. That is repeated throughout; it is repeated in Lawrence, it is repeated in Fall River, it is repeated in Somerville, it is repeated in Boston. There is a vast under representation of children in special education in charter schools.

Now, again, the admissions process is supposed to be neutral. Why is this happening? We know that in at least one charter school situation in Massachusetts, direct invitations went out to all the students in the public schools except the special education students. Who is to blame for that? It is hard to say. But those children were not admitted. Those children were not invited to apply.

We know that children with disabilities who go into charter schools are leaving charter schools in unprecedented numbers. In Worcester, about 37 families started in the first week at the Seven Hills Charter School, only to leave within the next 2 weeks, when they were told that with regard to their children who were in special education programs that "This is the way we do it at Seven Hills, and if you do not like it, leave." And the left, because the way they do it at Seven Hills was not what was in their individualized education programs.

So that regardless of the innovation, the energy and the excitement that is being brought, some of it is not being directed at our children with disabilities, and they are being counseled out, they are being excluded, they are being suspended and excluded, and they are not attending charter schools in the same numbers as they are attending the public schools.

This is not unique to Massachusetts. With my testimony, I have submitted an article that describes the situation in Arizona. Again, with the large number of charter schools, with some great innovations happening—there are some exciting things happening there—very few children with special education needs are reported in most of those charter schools. Very few of those charter schools—although there are some that are dedicated solely to children with disabilities—very few of the others pay any attention to developing adequate special education programs in their charter schools.

That is the next point I want to move on to. Let us assume you get into a charter school, and you are a child with a disability, you need special adaptations in your education. Will you receive that in a charter school? I would like to say that the answer is yes, but my experience is that the answer is no.

Included in my materials are some reports of decisions from Massachusetts. There are a couple of decisions from our Bureau of Special Education Appeals, which is our due process hearing office under IDEA. I have also included a decision from the Office of the

Civil Rights of the Department of Education. These relate to three different students, all in the same charter schools, the Boston Renaissance Charter School and Edison Project Charter School in downtown Boston. In each situation, we have a child with a disability who is tremendously underserved, unrecognized and improperly excluded, ultimately, by the charter school.

Shayna is a good example. Shayna came to the Boston Renaissance Charter School as a first-grader in their first year of operation from the Boston public schools. Shayna had been in a great public school in Boston, the O'Hearn School. If any of you ever get a chance to visit Boston, go and see the O'Hearn School. It is a model public school for the Nation. The O'Hearn School is a model because it believes in fully including children with disabilities with children who have no disabilities in a really major way. The O'Hearn School has a very exciting principal and a very dynamic staff and is doing wonderfully. The O'Hearn School has a waiting list of parents in the Boston public school system waiting to get into it, and you may wait 2 or 3 years to get your children in if you are lucky enough to get in.

For some reason—and I cannot tell you all the reasons why—Shayna's mother decided that Shayna and her brother would go to the Boston Renaissance Charter School. Now, Shayna suffers from a disability that has been diagnosed as autism, or in the autism spectrum, and it causes some behaviors that may be troublesome to deal with unless you are experienced and know what you are doing.

When Shayna got to the Boston Renaissance Charter School, even though she appeared there with an IEP from the Boston public school system setting forth a special education program to meet her needs, the Renaissance plopped her down into a classroom with 29 other first-graders, with a brand new teacher, and needless to say, disaster happened. Shayna would act up. Shayna sat in the back of the room, and nothing happened to her. Two months passed, and she began to act up and had some behaviors—at one point, she pulled her teacher's ear and ripped an earring out of her ear—so the school responded very appropriately by suspending Shayna, a first-grader who is nonverbal, who does not speak. They suspended her for that act and then took action to exclude her from that school, saying we do not want her here.

Well, that is not permissible, not under Federal law, not under State law, and when Shayna's mother came to me, we quickly rectified that situation and, after a process that took another few months, we were able to get the school to write a new IEP for Shayna, to develop an appropriate program, and Shayna was given an aide, was given a special education teacher in her classroom, was given the resources that she needs to succeed in her classroom.

A similar thing happened with my other client, Rheba. Rheba was a 7-year-old with Down's syndrome. It was the same type of situation—plunked down in a classroom, no attention paid to the IEP. When I went to a team meeting in November on Shayna, I was simply told by the charter school: We just do not do that here. I said, well, the law says you have to do that. They said, I do not care. We do not do that here. We are exempt from the law. We have all of these waivers; we are exempt—which is not the case.

The bill that you are considering here specifically mandates the inclusion, following our laws with regard to special education and protection of civil rights under 504 as well as several other provisions. Massachusetts law is very clear on that. But charter schools somehow have the impression that they can waive all these, that they are not subject to them, so they do not follow them.

Kylie Jones is another case——

Senator COATS. Mr. Sindelar, I do not mean to rush you. You are making your point, and I want to get to the point where we can question you.

Mr. SINDELAR. I am sorry, Senator.

Senator COATS. The anecdotes are important, and the statistics are important. I think the discussion in terms of how we address this is important, and I only say that because time is moving on, and I would like to get to Mr. Rofes and then open it up for discussion—on this very subject.

Mr. SINDELAR. I am going to summarize very quickly.

Senator COATS. Thank you.

Mr. SINDELAR. The information with regard to Kylie is included in your materials. There is a very good article by Peggy Farber about the Boston Renaissance School in this materials, and I really urge you to read that, because it gives you the insight into how a school can go wrong.

It is not just Boston Renaissance, though. I represent children in five different charter schools throughout the Commonwealth, and I know of problems involving special education in a dozen others.

The problems is this. Special education is a complex matter, with an intensive regulatory structure, and children have a lot of needs. You have got to do a lot of planning to do a good job. All I am suggesting here is that there is nothing endemic about charter schools that they will fail to provide children with disabilities with appropriate education, but that in the initial stages, in the planning process, we have got to make sure that they are covering that.

We would not open a charter school if they paid no attention to the English component. We would not open a charter school if they did not buy math books. We should not open a charter school that has not done adequate planning for their special education children in order to meet their needs.

I would urge that in any actions that you take with regard to charter schools, you particularly bear in mind our responsibility to our children with disabilities and make that we honor the promises that we have made to them in our laws.

Thank you.

Senator COATS. Thank you, and again, I do not mean to cut off your statement here, but I just want to make sure we have adequate time for discussion. Members have other commitments usually starting at around 12 o'clock, an I want to try to grab some time if I can.

[The prepared statement of Mr. Sindelar follows:]

Statement of Tim Sindelar
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Chairman Riggs, Members of the Subcommittee, thank you for the opportunity to comment on charter schools and their performance in delivering equal educational opportunities to children with disabilities. My remarks today will be chiefly confined to questions of admission of children with disabilities and the delivery of services to children with disabilities in charter schools. For some students, charter schools may offer exciting, innovative approaches to education. However, this does not appear to be the case for many children with disabilities. It is important that we do not overlook these children in our rush for innovation.

I am an attorney at the Disability Law Center with experience in litigating special education matters. I have worked on several cases regarding the delivery of special education services to children in charter schools and spoken with many parents across Massachusetts about their concerns for their children with disabilities in charter schools. From this direct involvement, I have become concerned that there is a pattern, in Massachusetts, of significant problems with admissions to charter schools and in delivery of appropriate services for children who are admitted.

Admissions Process

An analysis of data from October 1995 indicates that special education students faced significant barriers in admission to charter schools in Massachusetts and that in particular, special education students with more severe disabilities and the most restrictive educational programs were severely under represented in admissions the first year of operation. According to reports submitted to the Massachusetts Department of Education in October 1995, charter schools reported the following enrollment data for children with IEPs:

4 schools reported no children with special needs

2 schools reported 1 child with special needs

2 schools reported less than 10 children with special needs

4 schools reported more than ten children with special needs (ranging from 11 to 42 children)

According to this data, 50% of the charter schools in operation had one or no special needs students and 2/3 of the schools had fewer than 10 children with special needs. According to school profile data from the Massachusetts Department of Education, only 7.2% of children enrolled in charter schools in the 1995-1996 school year were identified by the schools as special education students, compared with more than twice that number reported statewide by the Department.

This data becomes even more stark when levels of educational programming are examined. Of the 12 schools open in October 1995, only three schools reported any children with severe disabilities requiring separate special education programming. More than 75% of the charter schools were serving no children with severe disabilities.

Even for those schools who did report larger numbers of children with disabilities, the numbers reported were strikingly different from the numbers being reported in public schools. For example, Boston Renaissance Charter School reported 42 children with special needs. In terms of percentage of children identified as children with disabilities, the Boston Public School District reported more than three times the percentage reported by Boston Renaissance Charter School in its first year of operation.

Although this information is dated, it appears that the situation has not substantially changed. According to a report prepared by the Pioneer Institute, charter schools reported approximately 9% of their students as identified as special education students after the completion of the 1995 - 1996 school year. Other anecdotal information confirms that charter schools have a discriminatory admissions process, particularly concerning students with more severe disabilities. In Springfield, Sabis International Charter School acquired a school building from the Springfield Public School District. This building had been modified to provide access for children with disabilities and was the home of a classroom for children with disabilities. Springfield agreed to authorize all the students who had been attending classes in this building to enroll in the charter school as "school choice" students, except for the students in the special education classroom.

Information being disseminated by charter schools also tended to discourage children with disabilities from applying or completing the admissions process. Statements by Boston Renaissance and Worcester Seven Hills Charter Schools concerning the nature of the

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programming offered to children with special needs have caused families to remove their children from these schools, as the schools made clear their "one -size -fits- all / take it or leave it" philosophies. These schools have made it clear to parents that the school provides special education in one form only - what the school labels as "responsible inclusion." Parents are urged to remove their children if they believe that this model will not meet their children's needs. The aides and services necessary to meet the individual needs of students in the mainstream are not being provided. This "counseling-out" process resulted in more than 16 children with special needs withdrawing from Seven Hills within the first two weeks of operation and returning to the Worcester Public Schools.

At least one charter school is operating in a building which had been abandoned by the public school since it could not be readily made accessible to students and their families with disabilities.

The pattern revealed by the statistics and other reports demonstrate an area of concerns. Given what appears to be clear discrimination in the admissions process, charter schools need to remedy this situation with affirmative outreach and modification of policies and practices so that children with disabilities will not be wrongfully excluded from the schools or discouraged from continuing attendance. It would appear to be prudent public policy to take all steps necessary to prevent a pattern of wrongful exclusion of children with disabilities.

Delivery of Appropriate Services

Our direct experience with many special education students in charter schools reveals that many children with disabilities who have overcome barriers to admission are not receiving equal educational opportunities in charter schools. Each charter school has a statutory obligation to provide children with special needs with an education consistent with state and federal laws. This is simply not happening, at least in Massachusetts.

I represented a student at one charter school beginning in October 1995. This first grade student arrived at the charter school with an IEP from her public school which called for a full inclusion model, with the student in a small classroom co-taught by a special education teacher and a regular education teacher. This student was placed in a class of 29 students with no special education teacher, no services and no special education programming. When this child began to exhibit behaviors that school personnel found difficult, she was excluded from school for five days. The school then began proceedings to remove the child from the school permanently, by asking for an emergency due process hearing from the Bureau of Special Education Appeals. We were able to stop this process and then began work on assuring that the school provide appropriate programming for our client. It was necessary to pursue this matter to a due process hearing at the Bureau of Special Education Appeals to convince the school of its statutory obligation to provide the services necessary under the student's IEP. After a full school year of struggle, meetings and hearings, the school agreed to provide appropriate services for our client. A copy of the hearing decision in this case is attached to this testimony.

At the same time as the above case, we were representing another student at the same school. The facts were similar - again the school refused to provide the services required under the student's IEP. Once again, it was necessary to pursue this matter before the Bureau of Special Education Appeals. Once again, it took the entire school year to secure an appropriate program for the student. A copy of the decision in this case is also attached to this testimony.

More recently, we have been representing a kindergarten student who has left his charter school due to the failure of the charter school to provide appropriate services. Rather than develop a plan and services to address behaviors caused by his disability, this student was consistently sent home from the school (for months, every other day). After months of improper exclusion and physical restraint, the school offered a plan to address the five-year-old student's disability. This plan simply called for providing a shorter day for the student than for his peers. The discriminatory effect of this plan caused the child's family to realize that the school would not provide appropriate programming to address the child's disability and the family therefore

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withdrew the child from the school.

We have also been contacted by many other families with children in charter schools. We have been told of the failure of the charter schools to comply with special education regulations in terms of evaluating children who have been referred as possibly in need of special education. One mother told us that it took one year for the school to complete an evaluation. In another instance, it has taken more than five months to complete the evaluation. Our special education regulations require that this process be completed in 45 school working days. We have heard from more than twenty parents in various parts of the state of failure to deliver services required by a student's IEP.

These cases and contacts lead us to believe that fundamental difficulties exist in the delivery of appropriate special education services in charter schools. In addition, since we continue to receive complaints through the date of this testimony, we do not believe that these problems can be attributed to the start up problems faced by any new school. These problems continue to arise in the second year of operation for many schools, and continue to persist even in those schools who have faced formal action for failure to deliver special education services in the past.

We have recently learned of a practice that is very troubling. At least one charter school is actively encouraging parents to waive all their rights under the special education laws and enter into contracts for services for their children with disabilities. A copy of that waiver form is attached to this testimony. We understand, further, that this practice has been accepted and in fact encouraged by the Massachusetts Department of Education. In our opinion, this practice is a clear violation of the state and federal special education laws. Nothing in these laws suggests that a parent may waive their child's rights to special education protections and courts have refused to honor waivers in this area.

There is also evidence that these problems are being encountered in other states as well. In Colorado, a charter school wrongfully excluded a twelve-year-old boy with an emotional disability. The charter school had failed to provide the child with services as required by his IEP. This case was resolved during the due process hearing process in Colorado.

A 1995 Southwest Regional Laboratory report on California charter schools concluded: "There is modest support for the possibility that charter schools are under serving special education students." In Arizona, only 17 of the 46 operating charter schools reported serving disabled children.

The National Association of State Directors of Special Education has issued recommendations for data collection protocols on how charter schools are meeting their requirements under the IDEA. This information is also being sought in the U.S. Education Department Project Forum study. Based upon the information that is currently available, it will be important to evaluate this information to assure that charter schools are fulfilling the mandates of the IDEA.

State Education Agency Oversight

Unfortunately, the significant problems with delivery of special education to students in charter schools have not generated appropriate responses from the Massachusetts Department of Education, the agency charged with the responsibility for enforcement of IDEA in the state. In fact, it appears that MDOE has encouraged policies that have had an adverse impact upon children with disabilities, such as the "waiver" process set forth above. In addition, while MDOE has been fully aware of the concerns expressed above, MDOE has elected to ignore those concerns. MDOE has not responded with the same level of monitoring activity for special education found in public schools and MDOE has failed to provide the necessary training and technical assistance for charter school to meet the challenges of providing appropriate special education programs. It appears that MDOE has focused on helping charter schools avoid their obligation under federal and state law.

An early indication of MDOE's reasons to problems in charter schools can be found in Charter School Technical Advisory 95-11, dated July 25, 1995. Although this Advisory was issued by the Executive Office of Education, it has since been adopted and disseminated by the Department of Education. This Technical Advisory suggested a process unique to charter schools - that if a charter school believed it could not provide a suitable program for a student, it could contact the Department of Education which would "then review the specific fact situation and make a determination whether a child should remain in the charter school or be returned to his/her home district for placement." This process directly contravenes the requirements of state and federal law which require that determinations concerning a child's special education program to be made by the locally based TEAM. The process suggested by this Advisory bypasses the TEAM process and the due process procedures established by law.

We contacted MDOE in November 1995 with our concerns about the Technical Advisory. After a meeting in February 1996, we were advised that the Advisory would be revised and that charter school would be advised that they were required to follow the normal procedures in changing educational programs or in suggesting alternative placements. However, we were provided with a copy of December 1996 correspondence to a parent from MDOE which cited (and included) this same Technical Advisory in response to a complaint about a charter school failing to implement an IEP.

We also learned, during this time period, that MDOE was not accepting complaints from charter school parents concerning special education, in violation of its responsibility to do so under the IDEA. MDOE Problem Resolution staff had been instructed to require charter school parents to bring their complaint before charter school boards, rather than use the MDOE complaint process that is established by the IDEA.

To our understanding, no charter school has been monitored by the MDOE under its obligation to monitor all school programs in the state for compliance with the IDEA and chapter 766.

Moreover, we understand that MDOE staff has specifically approved the "waiver" process set forth above. This approval undermines the special education rights of all parents in charter schools and may render Massachusetts out of compliance with the IDEA.

The failure of the Massachusetts Department of Education to take necessary action to protect children with disabilities is disturbing. The importance of equal enforcement of the IDEA cannot be overemphasized. National efforts to expand charter schools should direct some effort to assuring responsible oversight by state educational agencies.

Conclusion

Charter schools may have a major role in educational reform efforts. They may present fresh and innovative approaches that will serve as a model for our public school systems. However, in the rush to be innovative and creative, it is important that our children with

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disabilities are not overlooked or excluded. Charter schools must include all children if they are going to offer models of any value. In order to do so effectively, charter schools must be careful and deliberate in planning and execution and include children with disabilities at all steps. It is likewise important for our law makers to take all steps necessary to assure that the rights of children with disabilities will be protected in these new public schools.

indicate whether Salem produced every page of Joy's school work, the 43 pages of work which appear in parents exhibits 16 and 17 constitute at the very least a substantial sampling of Joy's work, and there exists no evidence before me that it does not constitute all of Joy's school work. Therefore, I am unable to find by a preponderance of the evidence that Salem withheld copies of Joy's school work from the parent.

Fourth, the parent contends that her advocate was denied access to Joy's school records. Parent's advocate requested copies of Joy's school records on November 11, 1995. (P-6) Parent's advocate stated that she was given the opportunity to view the file for fifteen minutes, requested that forty-two pages be copied and received copies of only twenty-five pages. During the hearing, Dr. O'Connor testified that there existed some misunderstanding on the part of the person making the copies who didn't think smaller notes and memos needed to be copied. She therefore copied only full-sized pages. (O'Connor) Once again, I find that while the exchange of discovery was marred by confusion and mis-understanding, I find no willful attempt on the part of Salem to deny discovery to parent and no violation of the parent's due process rights.

ORDER

Salem is hereby ordered to: (1) implement a phonics based reading program for Joy such as the Orton-Gillingham program in a small group of no more than five children for 200 minutes over 5 days a week in the resource room; (2) provide math instruction for Joy in a small group or individual setting for 120 minutes over 5 days week; and (3) reimburse the parents the sum of $650.00 for the cost of a summer tutor.

By the Hearing Officer,[5]

Lindsay Byrne

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In Re: REBHA G.

BSEA #96-2207
Boston

February 29, 1996
Lindsay Byrne, Hearing Officer

Charter Schools—Special Education Services—Stay Put Provisions—Boston Renaissance School failed to provide special education services consistent with 502.1 IEP accepted at student's previous public school.

INTERIM DECISION

This matter came before the Hearing Officer on February 28, 1996, for a Pre-Hearing Conference. The student requested a formal "stay-put" Order. The parties submitted a joint exhibit packet in support of the Motion. After careful consideration of the written evidence presented, and of the arguments of counsel for both parties, I make the following findings of fact and conclusions of law:

1. The Boston Renaissance School is a "charter school". As such it is required to operate in accordance with the laws governing public schools, and is specifically mandated to comply with M.G.L. c. 71B, with limited exceptions. M.G.L. c.71 Sec. 89.

2. Rebha is a resident of Boston. During the 1994-1995 school year Rebha was a special education student at the O'Hearn School. In June, 1995, Rebha's parent accepted the proposed 502.1 IEP for the 1995-1996 school year. Rebha entered the Boston Renaissance School in September, 1995, with the accepted 502.1 IEP. (Exh. 8)

3. Entry into a charter school is substantially similar to a change of residence, therefore the regulatory language appearing at 603 CMR 332 can be applied by analogy. That regulation provides that upon a move to a new city or town

> the IEP written for the child by the school committee of the former community of residence and accepted by the parent remains in effect until, with the consent of the parent, the school committee of the new community of residence completes a new evaluation and a new IEP is written and accepted by the parent.

603 CMR 322. Therefore Rebha was entitled to receive the services outlined in the accepted 502.1 IEP from the Boston Renaissance School immediately upon her enrollment.

4. In December, 1995, the Boston Renaissance School proposed an Amendment to Rebha's educational program which would change some of the specific educational services offered and increase the restrictiveness of the prototype under which services were to be delivered from a 502.1 to a 502.2. (Exh. 10)

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[4] Exhibit P-16 comprises 15 pages of school work listed by parent as "School work Samples-Cover Letter + 15 pages"; P-17 comprises 23 pages of reading and math work listed as "School work available to Parent".

[5] The Hearing Officer wishes to acknowledge the invaluable assistance of BSEA legal intern, Nadia Yuen, in the preparation of this decision.

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5. The parent rejected the proposed Amendment (Exh. 11). Upon rejection of a proposed IEP and pending resolution of the dispute between a parent and a school about the delivery of appropriate services to a special education student, the school must continue to deliver the special education services outlined in the last accepted IEP. 603 CMR 327, 405. 20 U.S.C. § 1415 (e)(3). Therefore, Rebha continues to be entitled to receive the educational services outlined in the accepted 502.1 1995-1996 IEP from the Boston Renaissance School.

6. The Boston Renaissance School has not provided Rebha with special education services consistent with those outlined in the 502.1 IEP and accepted by the parent for the 1995-1996 school year. (Exh. 12)

ORDER

Based on the foregoing it is hereby ordered that Rebha's "stay-put" placement during the pendency of this dispute is as a 502.1 student at the Boston Renaissance School. The Boston Renaissance School must take immediate steps to ensure the provision of all special education services discussed in Rebha's last accepted IEP, and to discontinue all special education services not specifically accepted by the parent. A full hearing in this matter will take place at 10:00 a.m. on March 13, 1996, at the Department of Education in Malden, MA.

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In Re: SHAYNA W.

BSEA #96-1272
Boston

March 4, 1996
Lindsay Byrne, Hearing Officer

Charter Schools-Special Education Services—Boston Renaissance School violated a seven-year-old's substantive educational and procedural due-process rights by placing her in a regular first-grade classroom with no special-education services.

INTERIM DECISION

This matter came before the Hearing Officer on February 28, 1996, for a pre-hearing conference and argument on the parent's Motion for Compliance. The parties submitted a joint exhibit packet to the Hearing Officer for consideration. Based on the documents offered into evidence, and the arguments of counsel for both parties, I make the following findings of fact and conclusions of law:

1. Shayna is a seven year old Boston resident. During the 1994-1995 school year Shayna attended a substantially separate special education program at the Tynan Elementary School. In May, 1995, the school proposed continuing Shayna's placement in a 502.4 program for the 1995-1996 school year. It is not clear from the record whether that IEP was accepted by the parent. (Exh. 1.)

2. In September, 1995, Shayna was enrolled in the Boston Renaissance School. The Boston Renaissance School is a "charter school" established pursuant to M.G.L. c.71 Sec. 89. With very limited exceptions charter schools must comply with all statutory and regulatory provisions regarding special education. Therefore the Boston Renaissance School was obligated to provide to Shayna a special education program equivalent to that outlined in the last accepted IEP. (603 CMR 332.) The parties agree that Shayna was entitled to receive special education services in a 502.4 setting in September, 1995. Instead, Shayna was placed in a regular first grade classroom with no special education services. (Exh. 6)

3. The Boston Renaissance School did not implement any aspect of Shayna's last accepted IEP during the fall, 1995. Shayna exhibited behaviors that school personnel found difficult, and was excluded from school for five days. (Exh. 6, 7) Thereafter Shayna was assigned a one-to-one aide and maintained in the regular classroom. There is not evidence that the parent accepted the individual aide services prior to February 23, 1996.

4. The parent secured a developmental assessment for Shayna through the Harvard Community Health plan on November 30, 1995. The Boston Renaissance School did not perform any of its own evaluations. (Exh. 5)

5. A Team meeting was held on February 7, 1996. Thereafter the Boston Renaissance School proposed a 502.2 IEP which called for Shayna's placement in a regular first grade classroom with an individual aide with additional consultation, counseling and speech/language services. The parent accepted Shayna's placement and the additional services on an interim basis only, contending that the location, duration and frequency of the special education services offered failed to reflect the recommendations of the evaluators. (Exh. 8, 9)

6. Based on the foregoing I find that the Boston Renaissance School violated both Shayna's substantive education rights and her procedural due process rights by failing to provide her with an educational program comparable to her last accepted IEP from the time of her enrollment in the school until an alternate plan was accepted by the parent on February 23, 1996. (20 U.S.C. § 1415(e)(3); 603 CMR 332)

ORDER

The Boston Renaissance School is hereby ordered to fully implement the accepted portions of the 502.2 IEP it has proposed for Shayna for the remainder of the 1995-1996 school year. A hearing will be held on March 27, 1996, at 10:00 a.m. at the Department of Education to consider the appropriateness of the 502.2 IEP for Shayna, and to consider appropriate remedies for the Boston Renaissance School's failure to provide a free, appropriate public education to Shayna beginning in September, 1995. Documents and witness lists must be exchanged no later than five days before the hearing. Any additional issues to be raised at the hearing must be identified and submitted in writing to the opposing party and the Hearing Officer ten days in advance of the hearing.

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Boston Renaissance Charter School
250 Stuart Street
Boston, MA. -02116-

RENAISSANCE LEARNING CONTRACT
SCHOOL YEAR: 1996-97

I recognize that I could have a more formal arrangement for the provision of services to my child with special needs. I am agreeing, however, to sign this contract with the school as opposed to an Individual Education Plan (IEP).
I have received a copy of the Parent's Rights Brochure.

Child's Name: Grade:

Parent Signature: ______________________ Date: ____________

School Administrator:______________________ Date: ____________

Senator COATS. Mr. Rofes.

Mr. ROFES. Hi. Thanks for having me. My name is Eric Rofes, and I am a researcher at the University of California at Berkeley.

I have been studying charter schools and the charter school movement for 4 years, looking very closely at the dynamics of the schools and the movement. I come to you today as someone without a clear agenda. I am not a charter school advocate, I am not a charter school opponent, and I say that because I believe a lot of the data introduced about charter schools is confusing to policymakers, because advocates bring exemplary charter schools, which are really often unusual, in front of you; opponents bring extreme examples of bad things charter schools do, or charter schools which have folded. And in fact the research shows that neither of those are typical cases. Your typical charter school is quite different from both of those. So I offer myself as someone who has been in the schools and who has been doing this research and has some information to share.

I am providing you with information on a report that looks at the overall effects of charter schools on public school districts. I am not talking to you today about what is going on in the charter schools. Lots of people argue that charter schools are either going to destroy public education or bring about a tremendous renaissance within public school districts.

When I realized that no one was really studying or looking at what was really happening, I decided to take this on as a research project. I was also motivated by the fact that school reform initiatives in this part of the century have traditionally been sold to policymakers based on their impact on the public school systems, but no one has ever looked at whether that impact has occurred.

For example, we have had magnet schools in this country for 30 years, and we do not have adequate empirical data looking at the effects of magnet schools on the public school districts in which they are situated. Well, I was not going to let that happen with charter schools, so I started looking in year five of charter schools in this country, and I issued a report which I have copies of today, entitled, "How are School Districts Responding to Charter Laws and Charter Schools?"

I aimed to identify simply three things—first, the impact charter schools are having on school districts; second, the way school districts are responding to charters; and third, whether school districts have been experiencing systemic change as a result of this school initiative.

This particular study was carried out in 1997 and focused on eight States and the District of Columbia. I focused on 25 case study districts which were randomly selected, so I did not go into the district that made all the headlines necessarily; I picked them out of a hat, and that is how I ended up in the 25 districts.

I want to share some of my findings with you and first tell you that the States I focused on were Sates that had a couple of years of experience with charter schools, at least two—Arizona, California, Colorado, Georgia, Massachusetts, Michigan, Minnesota and Wisconsin. I also looked at the District of Columbia. I looked at rural, urban and suburban districts in those States.

I conducted over 200 interviews, primarily with school superintendents, central administrators, principals and teachers, not in the charter schools, but in the traditional school system, and people within charter schools and the charter school movement, and statewide policymakers.

The limitations of my study are these. First, this is very early to be looking at these dynamics, but I think it is important to do. Second, there are multiple school reforms going on in districts, so to say that charter schools have caused this particular district to open up a new kind of school is sometimes hard to do. I took a conservative approach. If the school superintendent told me that is why he or she did it, then it made sense to me. If the charter school principal said "We are why they did it," and the superintendent said, "No, they are not," I had more complex findings. And finally, I could only look at 25 school districts. It took a lot of time and a lot of resources, but I think that because they are randomized, they tell us something.

So what have I found? The study revealed five principal impacts of charter schools—first, the loss of students and often an accompanying loss of financing; second, the loss of particular kinds of students to niche-focused charter schools, specialty charters; third, the departure of significant numbers of disgruntled parents from the traditional public schools, something we did not expect to find; fourth, shifts in staff morale; and fifth, the redistribution of some central administrative time as they worked on charter schools.

Of the 25 districts in my study, almost half had experienced either strong or moderate impact, but more than half, about 52 percent, had experienced no significant impact or very little from charter schools. The typical charter school district does not have a lot happening in it as a result of charter schools.

In terms of the district response to the charters, typically, school districts had not responded with swift, dramatic improvements at the time of my study. The majority of districts had gone about business as usual and responded to charters slowly and in small ways. Some see this as a comment on the public school system.

Almost one-quarter of the districts studied, 24 percent, had responded energetically to the advent of charter schools and significantly altered their educational programs. To some charter advocates, that looks like a very small amount; to educational researchers, that is big news. Twenty-four percent of school districts responding to reform their school districts as a result of any initiative is important and significant. We do not expect 90 percent to be doing it; we know how bureaucracies work.

Charter laws and charter schools stimulate certain kinds of changes and bring about certain kinds of effects and not others. For example, several school districts had changed their educational offerings as a result of charters. Boston initiated a pilot school program offering their own small specialty schools in part because charters were approved in Massachusetts.

The Phoenix Union High School District has initiated a redesign of their entire high school program which they will be bringing out next fall.

In LeSueur, MN, a rural school district, the high school has started block scheduling because the charter school did it.

Yet certain innovations that I hypothesized are not coming true and are not happening, and I want to cite these, because I thought they would be.

First, for the most part, district schools are not using charter schools as laboratories. It is in the rhetoric, it is in the legislation, it is often there, but for the most part, it is not happening, and there are very complicated reasons I can talk about for that.

Districts are still building 2,000-, 3,000- and 4,000-student schools instead of moving to small schools. We expected to see more of that happening.

It turns out that a variety of factors other than the nature and degree of impact seem to contribute to school district response. I wanted to test this idea that competition alone makes school districts reform. I wanted to get into the guts of that. How does that happen? Does simply creating a free market in education make all school districts get their act together?

I think it is more complicated, and the study showed that. First of all, it was not just the charters that did it; it was the overall ecology of school choice in the district. Many districts now have several school choice options. They interact in interesting ways and sometimes create response from the district. Student performance—a school district that has excellent schools and excellent student performance has two charters open in it. What is that school district going to do to respond? They are already getting their kids into college; they are already doing well. So student performance is often key to this.

Community awareness of charters and district leadership to me, in terms of my initial findings, was the most important. Reform-minded superintendents and school boards are few and far between. Those are the ones that, even if they were not heavily impacted by charters, responded by seizing control of reform in their district and making something happen.

Ironically, the pressures on most school superintendents are not there in most of the districts I studied, primarily because they had not lost a lot of students to charters and, ironically, most of the districts are already seeing increasing numbers of students in their areas. So if you look at a district like Minneapolis, which is increasing by 1,000 students each year, if a charter opens and takes 140 students, that saves them from building some new buildings, and that pressure that competition is supposed to create just does not happen there.

The final point I want to cite before my policy recommendations is that for the most part, the districts that were responding were not large urban districts. They were small urban districts, like Lansing and Sacramento; they were suburban districts, like Mesa in Arizona, or they were rural districts. The big urban districts are at this point not responding aggressively to charters, with some few exceptions.

So I will cite just three recommendations in closing. If you are crafting charter school laws, please clarify the legislation's aim regarding the overall effects on school districts. Are the laws about the students in the charter schools, or are they about all of public education? If spurring overall district reform is the intent, please consider both the law's impact on school districts and the districts' response. Policies aimed at achieving a critical mass of charters in a particular area, and efforts which garner significant media attention, may result in heightened impact on districts. Policies created to allow more than one entity to approve charters may result in increased responses from districts.

Second, policymakers should seriously consider ways to ensure that urban educators, charter school advocates, union activists and other reform leaders engage in collaborative efforts to create an urban strategy for charter schools which encourages charters to contribute energetically to overall systemic reform and spurs district responsiveness in the big cities.

And finally, policymakers should ensure that evaluations of both the Federal and the State charter policies include a detailed assessment not only of what is going on in the charters, but of the impact, response and overall effects on school districts.

Thank you.

Senator COATS. Mr. Rofes, thank you very much. I think it is really critical as we test new ideas that we build in an evaluation process. Particularly at the Federal level, we are constantly attempting to address new programs, but too often we do not build in an automatic evaluation at a certain point where we can report back and learn from that—if it is not working, we can try something else, or in most cases, it is working partially and needs some reform to make it work better.

One purpose of the legislation which we are discussing today is to address the original Charter School Act and to bring about changes and necessary reforms, so your report is very helpful, and I appreciate it.

Mr. Sindelar, I want to follow up on a couple of questions that you raised. I am wondering whether the reasons why the percentages in Massachusetts—I think you said 7.2 percent children with disabilities in charter schools and 17 percent in public schools—are not necessarily because charter schools are attempting to systematically exclude children with disabilities, but because parents, particularly of children with severe disabilities, are concluding that the services offered to the public schools have been in place longer, that they have more expertise, and that it is really in the best interest of the child to remain in that setting rather than to go into a more experimental setting, and that that might not be the reason for some of the difference there.

It seems to me that what we ought to be after here is not a quota where the number of students with disabilities in charter schools is the same as in public schools, but what is in the best interest of the child, and in many cases, charter schools provide a choice.

I was mystified, I guess, by the decision regarding Shayna to leave what you said is a model public school, one that was meeting her needs, and move to a charter school. Whatever the reason, isn't the solution there to simply move back to the public school where her needs were being met, rather than to label the charter school as having failed in its mission for not providing those services?

And then, finally, the testimony which you heard earlier—I think it was either Dr. Jackson or Ms. Heffernan—said that, first of all, you have to wait a year before you are even eligible for the Federal funding, and as someone who has been involved in trying to get the

Federal Government to meet its share of funding, I believe that IDEA is woefully undersupported at the Federal level, putting a huge burden on the States.

So aren't we better off pursuing a solution that provides more options rather than just demanding a quota?

Mr. SINDELAR. Senator, I do not want to suggest in any way that we should be looking at quotas, but one of the wonderful things that you have done in the Senate and that we have done as a society is that we have adopted a principle of full inclusion of all of our children and full inclusion of all adults in all aspects of society, most particularly those with disabilities.

The Americans with Disabilities Act has promised that we are not going to segregate, we are not going to set aside territories. We do not want separate institutions, we do not want separate schools. We want integration across the board.

So that schools have the obligation, and they cannot escape that obligation by setting up particularized mechanisms that have the effect of excluding children with disabilities.

In terms of your comment about children with severe disabilities, there might be a certain element of parental choice. My experience—and this is anecdotal—is that parents of children with special needs, children with disabilities, often are looking for the most innovative approaches, and it is precisely those parents who are interested in leaving the public school system and going into charter schools, because they are looking for new approaches for their children, and they are dissatisfied with what is going on in the public schools.

Children with severe disabilities represent a very small percentage of the total number of children receiving services under IDEA. As you probably know, a great majority of those children are in the category with learning disabilities, and again, it is parents in those areas who are making the choice and where relatively minor modification to an educational program is necessary.

So I do not think that choice alone reflects this great disparity in the number of children with disabilities who are being educated.

As to your second point, I would agree with you that any kind of restrictions on funding should be removed. If the obligation is there, as it well needs to be under the Federal law and under State law, and out of fairness, the funds ought to be there as well, and I would work with you on any effort to make sure we make that funding obligation as fair as possible.

But public schools are faced with the very same dilemma. They too are vast underfunded in terms of children with special education needs. They too face the same dilemma. And at least in Massachusetts—and I cannot speak for the funding formulas in all States—but in our State, the charter schools receive the same per-pupil payment that the public schools receive, so there is not any type of financial gap between the charter school and the public school in terms of their ability to meet their obligation to children with disabilities, and therefore there is no excuse for their failure to do so.

Senator COATS. Thank you. You raised the example of Arizona, and I would like to depart from our normal procedure here and ask the superintendent of public instruction if she has a response relative to this question that you have raised. It seems only fair to give her an opportunity to respond to the question, and then Mr. Jackson may want to comment on this, also.

Mr. SINDELAR. Absolutely.

Ms. KEEGAN. And Mr. Sindelar, you are going to have to come to Arizona, because I am fascinated with the study and would love to have a look at it. I checked yesterday, and in fact our figures are up to around 25 to 30 percent of the current student body in the charter schools. That is an ungodly figure. The traditional public system is at about 11 to 12 percent in Arizona right now, and Mr. Sindelar, you might have reasons for that. I can speculate that that was not necessarily true last year, and 2 years ago, we had a problem in identification; there was no funding because of the timing gap. The department held a series of workshops, and Dr. Jackson can talk about that, but we went out proactively and dealt with the schools on their responsibilities. So I do not know what year your figures are from, but I would be very interested in the issue. We have turned down a number of charter schools because they did not have in their proposal the means by which they were going to address special education. It is critically important, and you cannot choose not to do it, and you can do it in a number of different ways, but fundamentally, the IEP must be met. So that right now, it is simply not true, and maybe we are just on different years, or maybe there is something that even I do not know about what is going on in Arizona.

Thank you.

[The prepared statement of Mr. Rofes follows:]

PREPARED STATEMENT OF ERIC ROFES

HOW ARE SCHOOL DISTRICTS RESPONDING TO CHARTER LAWS AND CHARTER SCHOOLS?

A Study of Eight States and the District of Columbia

Preface

My research into the overall effects of charter laws ad charter schools on school districts in various parts of the nation was motivated by one simple but unacceptable situation: After five years of charter school laws in the United States, researchers had produced *no empirical data indicating what impact charters were having on public school districts and how school districts were responding to charter schools.* Opponents of charter schools regularly pointed to cases of charter school failures to argue that this reform was causing great harm to public education. Advocates highlighted extraordinary cases of school districts which had seized on charters as a strategy for improving all of their schools. While the political arena had quickly become littered with the few cases of charter disasters or school district resurrection, no one had data revealing the typical effects of the charter school initiative on public school districts.

My report provides findings from a study titled "How Are School Districts Responding to Charter Laws and Charter Schools?" This research aimed to identify: (1) the impact of charter schools on school districts; (2) the ways school districts had responded; and (3) whether districts had experienced systemic change as a result of charter laws ad the opening of charter schools. The study was conducted in 1997, six years into the nation's experiment with charter schools. This research was funded by The Saint Paul Foundation ad was hosted by Policy Analysis for California Education (PACE), an independent research unit of the University of California at Berkeley.

Research Questions and Approach

This study focused entirely on ways charter schools and the development of charter legislation may have affected neighboring school districts and addressed the following questions:

• Are charter schools having an impact on public school districts? If so, what kinds of impacts are occurring in school districts and at what level of intensity are these impacts being experienced? How are these impacts affecting the climates and cultures of nearby schools, and school districts? How are they affecting the communities in which charters are situated?

• What have districts done differently from what they would have had charter schools not entered the picture? What has changed in their delivery of educational services?

• What factors spur traditional public schools and school districts to respond to charter laws and charter schools in ways that bring about improved educational opportunities for students who are not attending charter schools? If the effect of charter laws is to cause innovation, through what mechanisms does this occur?

To answer these questions, the study examined the ways school districts have experienced and responded to the development of charter laws and charter schools. The study focused on 25 school districts in eight states (Arizona, California, Colorado, Georgia, Massachusetts, Michigan, Minnesota, Wisconsin) and the District of Columbia. States were selected that had at least two years experience with charter schools. An attempt was made to include states with restrictive laws which generally allow only school districts to serve as the charter's sponsor (California, Georgia, Wisconsin) as well as nonrestrictive laws which provide for more than one chartering authority (Arizona, Colorado, Massachusetts, Michigan, Minnesota, and the District of Columbia). The study deliberately included a random mix of urban, rural, and suburban districts in which charter schools were situated.

Over 200 interviews were conducted for this study, primarily with district superintendents and central office administrators, principals and teachers in traditional public schools, and charter school administrators, founders, and advocates. People with national and statewide perspectives, including representatives of unions and school employee associations, public officials, directors of charter school resource centers, journalists, and public policy analysts, were also interviewed. Face-to-face interviews were held with over 75 percent of the informants in this study; the remaining interviews occurred during telephone conversations and through correspondence by letter and e-mail. A range of documents from school districts, individual charter and traditional public schools, local communities, and state departments of education were collected and analyzed as well as an extensive collection of newspaper articles focused on charter schools.

This study focused on the interaction between school districts and charter schools and examined the *impact* of charters on school districts, the *responses* of school districts to charter laws and charter schools, and the overall *effects or repercussions* of charter school laws on school districts. The primary unit of analysis was the school district because it is the district that almost always has the power to determine whether or not changes occur in its schools. The purpose of the study was to advice understanding of how districts have been affected by and responded to this initiative. This study did *not* choose the charter school as the unit of analysis and did not examine the impact of school districts on charts and the responses of charters to school district action. These topics, however worthy of examination, were outside the purview of this narrowly focused research effort.

A number of issues emerged during this project that bear on the study's findings. First, it was not unusual for different informants to provide different explanations for how specific changes or educational innovations came to be. Educational change is multifactorial and emerges out of a rich social, cultural, and political context. No attempt was made to prove causation in this study; thus, specific innovations are linked to charters in this report only when district officials or school personnel from traditional public schools explicitly acknowledged the linkage. Furthermore, the various impacts of charter schools on school districts during these early years of this reform initiative often elicited strong reactions and polarized debates. Throughout this report, quotations from interviews serve to exemplify key perspectives raised by several informants. The quotations were selected because they articulate an important and common viewpoint in a succinct and powerful manner.

Second, this research observed policy effects at a fairly early stage in the dynamics which charter laws and charter schools may generate. The fieldwork for this study was conducted during 1997 and the first few months of 1998 and the findings reflect the status of district responses *at this particular time*. While the eight states studied and the District of Columbia have distinct charter school laws, during the time period of this study changes occurred regularly which affected the research findings. Since the period studied, additional states have been considering and approving charter legislation. States with laws have been changing them in various ways. Charter impacts and district responses vary not only geographically but also over time. This study examined one particular cross-section of time in a frequently shifting and evolving process.

Third, the states id school districts in this study frequently offered a variety of programs involving public school choice (intra-district and inter-district enrollment, post-secondary options, magnet schools, vouchers, and others). In districts with a rich menu of public school-choice options, informants were asked to distinguish which shifts or innovations were triggered or influenced primarily by charters. Nevertheless, it was often difficult to untangle the differing options and attribute specific changes in public education solely to charter schools, the focus of this study.

Fourth, this study focused on only 25 school districts. While the investigator hoped a random selection of 25 school districts would prove representative of the range of effects emerging out of this initiative, the size of the sample meat that, in any single state, only a few districts affected by charters were studied. Hence this report is limited in its scope. Interviews with individuals with statewide perspectives were included in an attempt to broaden the study's frame of reference and distinguish between dynamics that were typical and those that were highly unusual. While media and policy-oriented discourses about charter schools frequently seize on extreme examples or exceptional cases of individual charter schools "destroying" or "single-handedly reviving" public education, such a focus was not the intent of this study. The aim of this research project was to determine what typically had been experienced by districts following the appearance of charter laws and the opening of charter schools.

Background on Charter Schools

From 1991 through 1997, 29 states and the District of Columbia approved legislation that allows for the formation of charter schools. Charter laws vary from state to state and charter schools vary widely even within states. Essentially charters are schools formed by parents, teachers, and/or community members who collaboratively determine the school's structure, mission, and curricular focus. Depending on the state law, they are granted a charter by local school districts, state or county boards of education, public universities, or other official bodies deemed appropriate as charter sponsors. Charter laws essentially allow entities other than the school district to start and operate a public school. This usually occurs with approval of the local school board but half the states with charter laws also allow some other public body to sponsor charters.

Charter schools are provided with public financing, are usually freed from many state and district laws and regulations, and are governed by the terms and conditions set forth in their charter. In exchange for freedom from many formal regulations, the charter generally commits the school to specific student outcomes and various other objectives. The school is granted a charter for a specific term—often five years—and may apply for renewal, at which point the chartering body assesses the school's success in meeting its objectives.

Advocates have argued that charter schools will improve public education in the United States in a variety of ways: (l) by providing quality educational programs and improved academic achievement for the students in the charter school; (2) by offering families the opportunity to exercise educational choice within public education; (3) by generating innovative pedagogical methods which district schools may then adopt; (4) by providing district school boards with an opportunity to create new ad different schools: (5) by creating incentives for district boards to improve their schools and school districts. My research is aimed at investigating point #5: Are districts improving their schools ad school districts due to incentives created by charter laws and charter schools?

Since 1993, a variety of research efforts have been directed toward charter laws and charter schools. Almost all of these studies have focused on the charter school: investigating school characteristics, student populations, student achievement, and organizational dynamics.[1] Perhaps because the initiative has been in a start-up phase, only a few researchers have examined emerging relationships between charter schools and other public schools or the dynamics created within school districts once charters have been proposed or developed in the area.[2]

Highlights of the Research Findings

(A) Charter Impact

Finding #1: The impact of charters on school districts was manifested in five primary ways: (a) the loss of students ad often an accompanying loss of financing; (b) the loss of a particular kind of student to niche-focused charter schools; (c) the departure of significant numbers of disgruntled parents; (d) shifts in staff morale; (e) the redistribution of some central office administrators' time and increased challenges predicting student enrollment and planning grade-level placement.

Finding #2: Of the 25 case-study districts in the research study, almost half (12 or 48 percent) experienced either strong (five or 20 percent) or moderate (seven or 28 percent) impact from charter schools and slightly more than half (13 or 52 percent) experienced either no impact (nine or 36 percent) or mild impact (four or 16 percent). Within a single state, the type and level of impact varied widely from school district to school district and often districts studied within a single state exhibited dramatically different types and levels of impact.

Finding #3: The impact of charter laws and charter schools on large urban districts was less than on rural, suburban, and small urban districts.

(B) District Response

Finding #4: Typically, school districts had not responded with swift, dramatic improvements, as of the time of this study. The majority of districts had gone about business-as-usual and responded to charters slowly ad in small ways. Almost one quarter of the districts studied (24 percent) had responded energetically to the advent of charters and significantly altered their educational programs.

Finding #5: Several districts classified as having low or moderate responsiveness, had made a significant effort to improve public relations and had begun to aggressively market their schools to the public.

Finding #6: Several moderate- and high-response districts had made changes in their educational offerings as a result of charters. These changes included opening schools organized around a specific philosophy or theme, creating "add-on" programs such as an after-school program or all-day kindergarten, and offering more diverse activities or curricular resources.

Finding #7: Certain innovations ad changes in school districts and traditional public schools hypothesized by the study's investigator had rarely occurred: Few superintendents, principals, and teachers in district schools were thinking of charter schools as educational laboratories or attempting to transfer pedagogical innovations from charters to the district schools; districts were still building large school facilities and were rarely creating smaller schools; the large urban districts studied rarely had responded in meaningful ways to charter laws and charter schools.

Finding #8: An analysis of the 25 case studies in this report suggests district response to charters evolves over time and that there may be distinct stages in the development of charter schools, which offer specific opportunities for district response.

Finding #9: The climates and cultures of nearby traditional public schools, school districts, and communities almost always had changed following the appearance of charter schools in their midst, but not in a single, predictable manner.

(C) Analysis of Overall Effects

Finding #10: The districts in this study which had experienced high levels of impact usually exhibited responses to charters, though not necessarily at a high level; districts which had experienced low levels of impact generally exhibited low levels of response or no response at all.

Finding #11: A variety of factors other than the nature and degree of impact seemed to contribute to school district response to charters, including the overall ecology of school choice in the district, student performance, a critical mass of charters in the area, community awareness of charters, and district leadership. Districts which exhibited a high level of responsiveness to charters usually had reform-minded leaders who seized on charters as a strategic tool to step up reforms in their districts.

Finding #12: Informants disagreed about whether creating a competitive environment for districts leads to school improvement. Some believed it does. Others saw competition as harmful and believed educators prefer collaboration and are motivated by the needs of students or personal pride in their work rather than competition over enrollment, awards, or reputation.

Finding #13: This research suggests charter schools may have contributed to statewide reform efforts that have no formal connection to charters.

Finding #14: Advocates and opponents of charter legislation and many of the state policymakers interviewed for this study often inaccurately characterized the overall effects which charter schools have had on school districts.

Policy Recommendations

One aim of this research study was to develop recommendations for policymakers to consider as they confront legislative proposals regarding charter laws and charter schools. Several recommendations emerge from an analysis of the data which might be useful to this Senate Committee:

- Recommendation #1: Policymakers crafting charter school laws should clarify the legislation's aims regarding the overall effect on school districts. If spurring overall district reform is the intent behind charter laws, policymakers should consider both these laws impact on school districts and the districts' response. Policies aimed at achieving a critical mass of charters in a particular area and efforts which garner significant media attention for charters may result in heightened impact on districts; policies created to allow more than one entity to sponsor charters may result in increased response from districts.
- Recommendation #2: The leadership of professional associations of superintendents and school board members should step up efforts to educate their members about charters, respond to their concerns, and allow them to discuss charters with peers who are successfully utilizing charter laws as part of an overall reform strategy. Because this study suggests that superintendents and school board members play pivotal roles in determining the district's response to charters, these interest groups must receive considerable education and opportunity to debate charter laws.
- Recommendation #3: Policymakers should seriously consider ways to ensure that urban educators, charter school advocates, union activists, and other leaders of reform efforts engage in collaborative efforts to develop an urban strategy for charter schools which encourages charters to contribute energetically to overall systemic improvement and spurs district responsiveness to charters.
- Recommendation #4: Policymakers should ensure that evaluations of the state's charter policy include a detailed assessment of impact, response, an overall effects on districts. While statewide evaluations of charter policies should assess student achievement and evaluate overall school performance in the state's charter schools, resources should be devoted periodically to an assessment of how school districts may be changing in the aftermath of this reform initiative.
- Recommendation #5: Researchers assessing the effects of charters on school districts should recognize that systemic change rarely occurs swiftly and dramatically and avoid imposing inappropriate expectations and unrealistic time frames on the charter/district dynamic. Long-term ethnographic studies of the effects of charter schools on school districts should be initiated. Special attention should be devoted to locations where charter policies are inspiring reform and resulting in improved student achievement in the district schools. Such studies might ask: What kinds of charter laws and what kinds of charter schools spur systemic change? What specific conditions, factors, and dynamics are necessary to allow charters to trigger district-wide improvements?
- Recommendation #6: District superintendents, central administration personnel, principals, and school board members should redesign their planning processes for an era of increased public school choice. New systems, schedules, and processes might improve budgeting and planning for capital improvements, enrollment levels, and personnel shifts and allow districts to anticipate changes brought about by school choice options.
- Recommendation #7: If policymakers create charter laws with the intention of districts transferring pedagogical innovations from the charters to traditional public schools, they should examine carefully ways in which charter laws may polarize constituencies which are intended to work collaboratively. They should analyze the impact charter laws are having on school districts—particularly in the areas of financing, redistribution of adminstrative time, student placement concerns, and the loss of particular kinds of students to niche-focused charters—and work with districts to plan for these ad other changes. Policymakers should be aware of a possible dilemma here: Creating policies which allow for sponsors besides the local district may produce more innovative schools yet may encourage a polarization among educators which precludes mutual exchange.

I aim to continue this line of research over the next few years. The recent history of school reform in this country has shown that initiatives win approval based on anticipated overall effects on nearby school districts, but little research has occurred focused on whether this has occurred. After more than 25 years of magnet schools in the United States, we have very little data examining the overall effects of magnets on other public schools. My intention is to see that this does not happen with charter schools, hence I will continue to engage in empirical research into charter impacts, district responses, and the overall effects of the charter initiative on public education.

FOOTHOTES

[1] Some of the more interesting studies in this category include, Corwin, R and Flaherty, J. (Eds.). (1995 November). *Freedom and Innovation in California's Charter Schools.* Los Alamitos, CA: Southwest Regional Laboratory; Wohlstetler, P., Wenning, R. and Briggs, K (1995 December). "Charter Schools in the United States: The Question of Autonomy," *Educational Policy,* 9(4), 331–358; Vergari, S. and Mintrom, M. (1996 September). *Charter School Laws Across the United States—1996 Edition.* East Lansing, MI: Michigan State University's Institute for Public Policy and Research; American Federation of Teachers (1996). *Charter School Laws: Do They Measure Up?* Washington, DC.: American Federation of Teachers, Wohlstetler, P. and Griffin, N. (1997, September). First Lessons: Charter Schools as Learning Communities. Philadelphia; University of Pennsylvania, Graduate School of Education, Consortium for Policy Research in Education.

[2] The federally-funded multi-year charter school study will be investigating effects on districts during its second and third year. See *A Study of Charter Schools: First Year Report* (May 1997) Washington, DC.: U.S. Department of Education, Office of Educational Research and Improvement. See also Nathan J., (1996). *Charter Schools: Creating Hope and Opportunity for American Education.* San Francisco; Jossey-Bass; also Vanourek, G., Manno, B., Finn, C., and Bierlein, L. (1997 July). *The Educational Impact of Charter Schools.* Washington, DC.: Hudson Institute. Amy Stuart Wells and colleagues at UCLA have been studying California charter schools in the context of local school districts and will be releasing their findings later in 1998. See also *Charters in our Midst: The Impact of Charter Schools on School Districts.* (1997). Oak Brook, IL. North Central Regional Educational Laboratory.

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Senator COATS. Dr. Jackson?

Mr. JACKSON. I would just like to indicate that we are now serving about six special education students, and about six more students are currently in the referral process. We are serving such disabilities as learning disabled, communication disorders, emotional and behavioral disorders, and mental retardation. We are only funded at about $280 per student for that, and we are spending right now about $350 per week per student.

Senator COATS. You are funded at $280 a week?

Mr. JACKSON. Right. That is what we are reimbursed.

Senator COATS. Total?

Mr. JACKSON. Per student.

Senator COATS. Per student per what—per week, per month, per year?

Mr. JACKSON. Per week, and we are paying about $350 per week.

Senator COATS. And you are refunded $280.

Mr. JACKSON. Right.

Senator COATS. Mr. Sindelar, do you represent clients outside of Massachusetts, or just within Massachusetts?

Mr. SINDELAR. Just within Massachusetts.

Senator COATS. It sounds like the problem might be in Massachusetts and not charter schools.

Mr. SINDELAR. Well, no. Again, I think the data reflects the same trend throughout the Nation—underrepresentation problems. There are several reported special education decisions out of Arizona, schools having problems. There is a decision in Colorado.

Senator COATS. But a decision, a case, litigation, does not reflect a statistical—that is a lot different than the kind of research Mr.

Rofes would be doing. I do not think we can draw conclusions just based on court decisions, can we?

Mr. SINDELAR. To the same extent that we can draw conclusions based upon visits to schools.

Senator COATS. Oh, I do not think so. The business of schools is measuring the total overall picture for that particular institution, whereas court cases, probably the most egregious violation, or someone thinks it is the most egregious violation, and I am sure they get a favorable verdict, but I do not know that you can draw a nationwide conclusion that this is the problem with charter schools. We just heard testimony from the superintendent of public education in Arizona, who recognized there was a problem, but they immediately addressed it. I am just wondering if perhaps in Massachusetts, charters are being granted without the necessary safeguards, or perhaps they are not being followed up by the State department of education.

Mr. SINDELAR. To a certain extent, there has been some problem with follow-up, although that has improved over the last 9 to 12 months. Certainly, though, with regard to their obligation, our regulations are in fact very specific in terms of being able to meet the requirement of serving children with special needs.

Senator COATS. Would you agree that public schools probably have a lot better infrastructure than charter schools to address the needs of special education?

Mr. SINDELAR. Absolutely.

Senator COATS. Well, isn't it appropriate, then, that parents have that choice? I mean, if they are better constituted to deal with the special education needs and concerns of disabled students, why wouldn't we be more interested in looking out for the welfare of the student than achieving a certain measure of equal service within charter schools?

Mr. SINDELAR. Well, Senator, I think the point is that parents of children with disabilities should have that choice.

Senator COATS. They do have that choice.

Mr. SINDELAR. That is, you are going to make that choice the same for other children—if they have the choice of a fine program in a charter school and a fine program in a public school, and they can make that choice, that is great. Let us make that same choice available for parents of children with disabilities.

Senator COATS. But you just indicated that public schools probably are much better constituted and have a much better infrastructure and much more experience, so why wouldn't parents be directing students to the place where the children are served the best?

Mr. SINDELAR. Absolutely, and they should; I do not disagree with you on that point, and perhaps my point is not well-taken here. All I am suggesting is that we seem to be in this landslide rush here to embrace this new technique that is not without its faults, and that before we engage in that process, let us make sure that adequate planning has taken place, and let us build up that infrastructure in the charter schools; let us make sure that everyone has a choice.

Senator COATS. Well, Mr. Sindelar, I would not call it a "landslide rush." Arizona is probably leading the Nation, and they have

27,000 out of 750,000 students. Many States have put caps on the number of charter schools. So I think it is a fledgling effort to try to provide a number of things—better opportunities for low-income minority children, some options to hopefully encourage competition. Mr. Rofes said that it is very significant that 24 percent of public school systems are making substantial changes as a result of this. So I do not know that "landslide rush" is the right phrase. I wish it were more of a landslide rush, but we are far behind that.

My time has more than expired. Senator Dodd?

Senator DODD. Thank you very much, Mr. Chairman.

I have found this very, very interesting, and I thank you again for holding this hearing on charter schools.

Let me jump in and ask some questions. First, I thank you, Mr. Rofes, for your study. I think it is very, very helpful. As you point out, it is a very short amount of time that we are dealing with, and you actually probably need the benefit of a longer period of time, and something that we should probably incorporate if we have another legislative endeavor is to take a look at these situations to give us as policymakers—because you are right, the people who wind up coming here are the people who want to come, either because they really like it or they really do not like it—and we try to struggle to make sure we have good representations that show up at our hearings.

I was intrigued by something you said on leadership, and I think it is a very worthwhile point, because too often, I think we underestimate the value of leadership in any setting. I recently visited—and Joan, you may be familiar with it—an elementary school in New Haven. It is not a charter school or a magnet school; it is public elementary school, K through 6. Jeffie Fraser is the principal there, and the school population is 98 percent black and 2 percent Hispanic. It gets no special funding, but the kids wear uniforms, there are computers on every desk, there are parents all over the place. The building is dreadful; the day I was there, it was pouring rain, and it was leaking like a sieve.

She goes out and recruits teachers from all over the State because she is dynamic. She cannot offer them any more money, but she will get a teacher who did not feel terribly inspired in some community in Connecticut to make that drive to Maine at their own expense because they want to teach in her school. She adds an element to this which is the leadership quality. She does not give them any special treatment, and there are no additional funds, but she is a remarkable individual who brings a dynamism to her school.

You seemed to indicate from your study so far that that seems to be the essential ingredient here whether you are talking about a charter school, a magnet school or a public school, that it is the qualities of the individuals there more than anything else. Is that what you are saying?

Mr. ROFES. It is a little different than that, but that is pretty close, Senator. First, I include charter schools as public schools, so I generally use the phrase "traditional public schools and charter schools," but I consider them all public schools, which they are.

You have probably witnessed what it is like to try to do change in Congress. Changing anything is a difficult, complicated process.

The longer something has been around and the bigger the structure that supports it and the rituals that support it, the more challenge it is.

So I do not envy these school superintendents or school boards, because I think that when they are trying to reform systems, the political forces that are working against them are significant and daunting. The life-expectancy of these people in jobs is very brief.

But as I went around doing this study, I did not expect leadership to loom as large as it did. When I looked at particular districts that were reforming their schools aggressively, it was not always because they were losing children to charters. In one district I am thinking of, the district lost a couple of kids to a small charter but got a ton more kids flooding in as the area was developed. But they have a superintendent who was gung ho on creating terrific schools, and they have one particular school committee person who rides him and makes sure he does that. And that combination seemed to drive reform in the district.

In other districts, there was often a lethargy—people not wanting to rock the boat, not wanting to take on some of the groups that wanted things to stay the same—and that prevented reform from occurring.

Senator DODD. I think that is a very valuable observation. Obviously, Joan Heffernan and Dr. Jackson are clearly people who fall into the category of dynamic individuals. I could take either one of you almost anywhere and put you in almost any academic setting, and I have the feeling you would make it a spectacular school, whether it was a charter school, a magnet school, a private school, or a public school. I think there is a certain dynamism and leadership that both of you have brought to these endeavors.

Now, obviously, giving you some additional freedom in how you operate has allowed you to magnify those leadership qualities in a way that might have been more difficult in a more bureaucratic setting where you had to go through too many hoops to do the things you wanted to do.

I wonder if you might share with us on some basic questions—who ends up being students in your schools? Is it by lottery, or do you have waiting lists?

Joan, let us begin with you.

Ms. HEFFERNAN. It is by lottery. Parents choose to apply to the school, and we create a waiting list. If it exceeds the number of spots that we have, then we have a lottery, and we have a lottery on Thursday night for next year's spots.

Senator DODD. Would you like to respond to Mr. Sindelar's point on the special needs children?

Ms. HEFFERNAN. I think we have a unique situation in Connecticut. I think Connecticut anticipated the problem of the expense of special education so that our sending school districts pay for the special ed costs. In our charter, this was a last-minute decision, so we had it built into our budget how we were going to do special ed, and we are adhering to our charter. But we wanted inclusion so that the children are in the classrooms with support from certified teachers who come in and help out, and that is what we are continuing to do, and it is cost-effective.

We have an LD teacher provided through our Norwich school system who comes once a month to monitor progress for the children, but we have someone at the school every day to work with those students for tutorials. We also feel that it is the classroom teacher's primary responsibility to work with those kids so they get a double dose, and it has worked out beautifully. Special ed has not been an issue.

Senator **DODD**. It is an issue, but not there.

Ms. **HEFFERNAN**. Right. It is not a huge issue that we cannot handle in our school.

Senator **DODD**. Mr. Jackson, on the question of how students get into your school.

Mr. **JACKSON**. All of our parents who are currently enrolled must first re-enroll. We are going through that process right now. Then, next month, we will start calling people who are on the waiting list for next year, and they will come to a Saturday morning orientation and at that point, those parents who want to enroll their children will officially fill out the papers. So we deal with our current clients first and then the people who express an interest. If we get to the point where we are filled up, then we go to a lottery for the other spots that may be open.

Senator **DODD**. And if, for whatever reason, people in the present population decide not to return, the vacancies are filled by lottery?

Mr. **JACKSON**. Right.

Senator **DODD**. All right. The superintendent was very clear in her answer about how things are going in Arizona with regard to special needs. Tell us about the professional development. Describe what professional development activities you have for your professional staff.

Ms. Heffernan, do you want to start?

Ms. **HEFFERNAN**. We have many professional development needs. The State department of education has provided workshops for directors and students to try to bring us up to speed in areas that we know very little about, since we are classroom teachers, and we now have many things to learn. We also have a relationship with Connecticut College. We wrote a grant with them for professional development workshops, and we went on a 5-day retreat last summer on "the responsive classroom," which is a management style that we want to employ building community in our schools. So we did that in the summer, and we have folks coming in to observe our classrooms and give us feedback throughout the school year.

We have had professional development workshops on areas of health, how to administer medication, first aid, CPR. We just had a workshop on hands-on math. Again, it is site-based management, so we had discussion about what needs we have, and then we provide professional development in that way.

Senator **DODD**. I should note, by the way, because I think there is an assumption here that there is a lot of opposition among teachers' unions to charter schools—at least, that is the impression that I think exists—and in this case, we are talking about a school, your school, the Norwich School, which is actually supported by the Connecticut Education Association.

Ms. **HEFFERNAN**. And actually, the NEA and the CEA have been very helpful with our professional development workshops, because some things we could not foresee, and we needed help, and they have supported us in that way with professional development.

Senator DODD. And you are supported by the Connecticut State Board of Education as well.

Ms. HEFFERNAN. That is right.

Senator DODD. Sometimes impressions get placed out there that are national in scope, and I do not know national numbers, but at least in our State, there is strong support among the teachers' unions and the State board of education for what you are doing.

Mr. Jackson, on the professional development issue.

Mr. JACKSON. Our State superintendent, Lisa Graham Keegan, and her department provide quite a bit of staff development for teachers in charter schools. The Arizona Charter School Association provides technical assistance to charter schools. The Goldwater Institute has also provided technical assistance. In my own school, every week, we have a mandatory staff development meeting, and just this past Friday after the parent-teacher conference, I provided staff development for my own teachers, all day. So our teachers get it all along, and we also allocate some funds at the beginning of the school year to send teachers to different workshops throughout the course of the year.

Senator DODD. That is great.

Let me jump to two other questions on the special needs issue. I am very grateful to Mr. Sindelar for being here today and raising a series of tough questions, and in a sense I am going to take advantage of your presence here today. I am deeply interested in this issue and the role we play at the Federal level. Let me step away a bit from the charter school issue which is the subject of this hearing because I have in front of me some professional people whose knowledge extends beyond just charter schools.

In my State of Connecticut, I try to meet every year in January with my mayors and our boards of selectmen or the select-people in our towns around the State to find out what their priority issues are before the session comes back and the budget process starts. I suspect most of my colleagues around the country to something very similar in their own way. This year, the big issue for a lot of them, of course, was ISTEA, the transportation money, as you might imagine. There was a big question of how we would deal with the transportation money.

Well, I must tell you that roaring in at second place, and in some communities, first place, was special needs education. And again, these are wonderful people who care very much about the issue and believe, as you and I do and I presume everyone at this table and probably in this room today, that we have come a long way from the days when children with disabilities were not getting the proper level of education. And for me, it is more than just an abstraction. I have a sister who was born with cataracts and is blind, and she has been a teacher for 30 years. She helped provide the Montessori system of teaching at the Whitby School in Greenwich back in the 1950's and has taught in the public school system as an early childhood development specialist for some 20 years in the largest inner-city middle school in my State in fact. And primarily because of my parents, who fortunately had some resources and were able to do some things with her that other children of her generation would not have had the opportunity—I am sure she would be doing fine today, but she had someone who went out and just worked like crazy to see to it that she had every advantage that other children had.

So I am sensitized to this issue. Now, we are looking at costs of $100,000 per child in my community in some cases—and that is extreme, but nonetheless, these are small towns. We made a commitment at the Federal level, as you probably know better than I, some 30 years ago that we would meet about 40 percent of the cost of educating a special needs child in this country. To my knowledge, we have never gotten above about 8 percent—I think 8 percent is roughly the number. So the costs continue to mount—property taxes, sales taxes, State income taxes—in my State, it is the property tax. My constituents feel it. They want to be supportive of education, but they see a tremendous percentage of their property tax dollars that go to education being consumed in this area.

I am going to offer here in a few days an amendment as an alternative to a proposal here that would provide a tax break for private and public schools. It would provide $35 and $8, respectively, and it is $1.6 billion over 10 years. It is not going to solve the special needs education problem, but if we are going to make a commitment to education and spend $1.6 billion on special needs to go back to our communities to defray the cost, we are talking about a tax break that has marginal significance for people.

I am worried about two things. I am worried about the cost and how we participate, and I am also worried about defining a special needs child and who makes the definition. In many cases, it is obviously very clear. In some cases where we are expanding the parameters of what a special needs child is and people making the decision about what a special needs child is, we are actually often taking dollars away from the children who really need them.

I am not claiming great expertise in this area. I am only listening to people in my own State, teachers and others who are involved in this and tell me this is a problem and that in fact that costs gets escalated to the point where in fact children who need help—do not misunderstand me; clearly, they have having a problem in particular areas—but they do not necessarily fall into the category of special needs child, and yet when they put them into that category, the price tag jumps, the pressure mounts, there are pressures at the local level where parents start publicly disagreeing and arguing with each other because they see this costs escalating.

Again, I realize this is getting a little bit afield, but you are here, and I have some academics and teachers in front of me who might know something about this, so I would like you to comment.

Joan?

Ms. HEFFERNAN. Because of the nature of our school, we are talking about students that we are asking to include in our classrooms, so we are not getting the same kind of price tag. We are talking about students who are learning-disabled and may need an occupational therapist or a physical therapist. We are not talking about exorbitant rates, and we are trying to work with these folks within our classrooms so that we can keep the kids in the classrooms and get support there. That has worked out. We are not looking to label students that we do not think need help.

We have meetings every Wednesday with the teachers, some of whom are new and some are veterans. We are about half and half—"veteran" means old. We sit around a table and offer suggestions about what can be done for a child. Frequently, that is the last time we hear about that student because the veteran teachers can offer suggestions, and we spent about 45 minutes to an hour just with the staff, talking about what can be done for that child, and frequently the child is never brought to testing for PPT. So we are not trying to force children into categories and label them.

We have a small number of students who need help for learning disabilities or occupational therapy, and again, we are trying to keep the servicing minimal and support within our classrooms. I do not see those exorbitant price tags at the school right now.

Senator DODD. But it is the teachers in the schools who are helping to make the assessments.

Ms. HEFFERNAN. The firs step is at our school. If we decide the child needs further testing, then we need to go to the Norwich School District and ask them to do the testing, and we have a second meeting where they determine should we go on, and we talk with the parents, and then the testing is done by the Norwich school system.

Senator DODD. Mr. Jackson?

Mr. JACKSON. Senator, all of our students are diagnosed when they come into our school. We determine a student's independent level of learning, their instructional level of learning and their frustration level of learning, and based on that, we are able to then work with the child. We have our reading and math subjects first, and we are able to assess whether that child may just have a lack in some of the skill areas. They may not have special needs.

For example, because we are a college prep program, we set our school up under three strengths. We have our special needs, and then we have taken our Title I funds and put together what we call our learning enrichment program, which is for students who are anywhere from 2 to 3 years below their grade level, and then we have our college prep program.

For example, I am looking at some statistics here. We have a 5th-grader who is independently reading at the first-grade level. That is the level where he can recognize 90 to 100 percent of all the words that he sees and can understand them. But the instruction level would be about 80 to 89 percent of those same words, and anything below 80 percent would be at the frustration level of the child.

So that here, I have a 5th-grader who has come to us from a traditional public school who is reading independently at the first grade level, at the instruction level at the 2nd-grade level, and at the frustration level at the 3rd-grade level. In general terms, if this kid is acting out or whatever, this kid will be observed and assessed to see if he possibly needs special education. On the other hand, this kid may just need someone to teach him how to read.

Senator DODD. You will make that determination.

Mr. JACKSON. Right; we make that determination.

Senator DODD. That's great.

Mr. Sindelar, do you want to comment on what I am saying? I do not know if you are interested or have a comment, but let me ask you because obviously, you are the expert.

Mr. **SINDELAR**. I wish I were. I am more of a litigation person than anything, but I will try to respond, because we are struggling with these questions in the Commonwealth of Massachusetts as well, as you may know, and there are no easy answers.

With regard to the identification issue, I think that what is being reported here by Ms. Heffernan and Dr. Jackson——

Senator **DODD**. Is it Dr. Jackson or Mr. Jackson?

Mr. **JACKSON**. It is "Doctor."

Senator **DODD**. I apologize, Dr. Jackson. You worked hard for that, I presume.

Mr. **SINDELAR** [continuing]. Their efforts of providing supports to children in the classroom and providing supports—before we go through this process of trying to evaluate whether someone has a disability or a special need—are very important, and throughout the Nation, there have been some advances in school-based teams, child support teams—they are called various things in various districts—but again, the notion of providing some supports up front.

Unfortunately, there is little financial backing to do that. Very few States to my knowledge have created any incentive or provided any special funding to school districts for that very purpose of getting the children early on in the process and seeing what we can do to give them just a little bit of extra help. Maybe we just need someone to sit with them at the end of the day and help them organize their homework assignments so they can go home and get them done, and in the morning check to make sure they are there—those types of things. We do not need to identify students as having disabilities or in need of special education and employ the whole bureaucracy that lies behind special education. Those efforts need to be encouraged, and they need to be financed both by States and by the Federal Government if necessary.

In Massachusetts, one of the things that we are looking at is some intensive intervention around reading issues as early on as kindergarten and first and second grades, certainly with the notion that if we do not identify students that early on with reading problems, by the time they reach fourth, fifth and sixth grades, we will identify them with learning disabilities, and then we can react to that. So there are some measures that we can take there.

In addition, a clearer understanding of eligibility is important. Again, we struggled with that in Massachusetts. Oftentimes, I will have special ed directors tell me that they felt pressure to put a child into a special education program because they knew the child could get some help there—not because they really felt that that child had a disability, but because the child needed a little extra help, and it was the only category they could find in order to get that extra help. We should resist those notions. We should make sure that it is only children with disabilities who cannot succeed in the regular education classroom who are identified. That is what the Federal law requires, and that is what the States require, and that is what we need to do.

In terms of the funding, I think it is not the over-identification that is driving funding. One thing is that we have children with advanced medical needs who, thanks to wonderful advances in medical discovers and technologies, are surviving and are doing well and are living in the community. But there are high costs involved in that. In general, special education costs have risen exponentially more than regular education costs, partly driven by that medical factor. I do not know what we can do to control those, but we certainly still retain that obligation to provide education to all children on the same level.

Senator Dodd [presiding.] Mr. Rofes?

Mr. ROFES. I have actually been wanting to comment on this whole special ed question with charter schools, because it came up a lot in my research, and I do not think it is often discussed within the context in which it needs to be seen.

What is going on with charter schools is not surprising to me. I actually confirm what my colleague has said as a concern throughout most of the States that have charter schools. I think we do need to closely monitor what individual schools and States are doing in terms of making sure that charter schools are public schools and that that means that students with disabilities are included in every one of them and are allowed and that they are open to all of them.

But it does not surprise me that this is a problem for two reasons. One, you are starting a whole new sector of schools with tremendous management challenges. You heard it from these two school founders. You add to that the amount of work, bureaucracy, knowledge and cultural tangles you get into with special ed, and it is often not something that schools have had the time or the commitment to deal with ahead of time—they should have, but they often do not. To me, it is understandable. Acceptable, no. But it is something that in the first 10 years of charter schools, the Federal Government and the States need to work with charter schools to get their act together on.

The second piece, I believe Senator Coats alluded to, which is something I have seen in different parts of the country, which is that a lot of special ed families look skeptically at charter schools. If they have gotten something from the traditional public schools—and sometimes, they have worked hard to get it—they are not going to take their kids out and put them in charter schools very easily, because they do not want to risk losing what they already have. They want to see charter schools perform for a number of years and be able to serve their children before they introduce it. That does not mean that the families who choose them should not gain access to them, but it does not surprise me that many special ed families do not care at all about charters except—and this, I want to make sure to frame for you—that there are charter schools around the country that are primarily or entirely serving special ed populations. While some activists are concerned about that and see the re-segregation of special ed kids, when you talk to the families of special ed kids, they are sending their kids to those schools because they are finally getting something they did not get out of the traditional schools.

I argue that the special ed charters can be a place of experiment for the system. You talked about the reading program needs identified in K to 2 classes. I can give you a charter school in Minneapolis that does not just look at it in K to 2, but they solve it in K to 2, because they are pioneering innovative technologies and really new ways of learning. And I do not think they are being used by the traditional public schools like they could be, and those special ed charters I think are a resource.

Senator DODD. That goes back to the issue of a good superintendent who sees something happening at one school and wants to make sure it is adopted by the broader community of schools involved.

Mr. ROFES. You said it; not I.

Senator DODD. I have notes here from my staff, and I am sure you are getting hungry. I could spend a good part of the day here; I think this is fascinating, and I apologize. My colleagues have all left.

I did want to ask you about academic assessment—and again, I realize we are not talking about a lot of time here, but just give me some sense. How are students at charter schools measuring up academically compared with the general population in the traditional public schools in your two communities? Can you share with us any information on that point?

Ms. HEFFERNAN. We opened our doors in August and 3 weeks later gave the Connecticut Mastery Test, so we will be looking to see what happens there. We do constant assessment in the school and in the classrooms, and the kids are learning—we know they are learning. It will take a little while before we see that on something like the Connecticut Mastery Test, which we will be giving again next fall.

Senator DODD. We will follow up, and maybe when you have some information, you can share it with the committee.

Ms. HEFFERNAN. Absolutely.

Senator DODD. Dr. Jackson.

Mr. JACKSON. I agree with my colleague. It is a little too early right now to do a lot of the standardized assessments. Next week, we start taking the Stanford 9 Test, which will be the second year for Arizona. A couple of weeks later, we will take the first new State tests that will be implemented.

We also do portfolios of our students, the pre-diagnosis and postdiagnosis. We do those things ourselves. However, we do not have adequate information yet. Some of the kids who started with me 3 years ago will be my third-graders next year, and then I will have an opportunity to assess those students.

Senator DODD. Mr. Rofes, how about you in your studies—did you take a look at this?

Mr. ROFES. No. The Department of Education study is what is going to be most helpful to you, and it is probably going to be tentative in their second-year report that is coming out this summer, and more the third year report where you will start to see the data, for the reasons that my colleagues suggest. So it is an important thing to look at, but I want us not to look at it too quickly, because we need to give the charter schools 5 to 10 years to really see how they are operating.

Senator DODD. You mentioned the 24 percent figure in your study, and I agree with you that that was a pretty startling number. It was not 90 percent, but in this kind of environment, a 24 percent response is pretty startling. These were school districts that were responding to the innovation of charter schools? Please restate that.

Mr. **Rofes**. I was studying school district response to charter schools, and the 24 percent figure shows that in my categorical breakdown, 24 percent had high or moderate response to charters. That means that they significantly changed an aspect or several aspects of their academic programs. For example, they opened a special-them school and attributed it to the charter; they changed the scheduling in one of their programs; they approved an entire sequence of pilot schools for their district—those kinds of things. It does not mean that every school in the district was revolutionized in the past 24 months. It does mean that we see change, which is heartening to see in a large, bureaucratic system.

Senator **Dodd**. I find it a very encouraging number, and I agree with you. I think it is phenomenal, because I know what you are saying about institutions, public or private, and now difficult it is for institutions to change. It is very difficult, and you bring a load of luggage. The people who come in are all veterans in a sense, and people are reluctant to try things differently. It is awkward, it is frightening. So I think that 24 percent is very, very encouraging.

For those of us who are attracted to the idea of charter schools and what they can mean for us, and who are committed—and I am deeply committed to public education; I really am deeply committed to it, and I see this as an opportunity for us to really prove what can be done—I find that very heartening.

That is probably a good note on which to let you go and have lunch and to thank all of you, as well as the previous witness. I do apologize for not being here earlier. Chairman Coats has asked me to close the hearing, although you will notice he did not give me the gavel.

I am very grateful to all of you; this has been very worthwhile. Members may have some additional questions for you that they will submit to you in writing. I do not know if we can incorporate the entire report, Mr. Rofes—I do not know how long it is——

Mr. **Rofes**. Twenty-eight pages.

Senator **Dodd**. We will make sure that Members and their staff get it. I think it is very, very helpful, and I suspect that as a result of your presence here today, you may find yourself in somewhat of a demand by people who want you to come and talk about your study and, hopefully, perhaps pursue it a bit further. You are right that we need a longer time, but I think that watching this is really going to be a great help to us, as well as to the Department of education and to school districts around the country, to lean from someone who has a good, broad perspective on this. So it will be very, very helpful.

Joan, we thank you for coming down, and I thank you all. This committee will stand adjourned.

[Whereupon, at 12:51 p.m., the committee was adjourned.]

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